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REVIEW

This is a two-monthly review.

Every January the Review presents a full-length general survey of the economic situation.

Other issues contain a short general survey followed by special articles on topical economic problems and studies of underlying trends.

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REVISIONS TO THE STATISTICAL TABLES

The Statistical Appendix has been revised and enlarged. There are more production figures (table 2) : figures for the engineering industry are given in more detail, and there are seasonally adjusted production figures for selected consumer durable goods. There is an additional table of productivity figures (table 5), including estimates of the movement of output per hour in manufacturing industry. Another new table (table 11) collects together some forward-looking indicators : order-books in the engineering and electrical goods industry, new orders for machine-tools, new orders and orders on hand for ships, and factory building approvals. There is now a table on the balance of payments (table 23). Finally, there are three new series for the exports of primary producing countries (table 24), giving export price indices for their exports of agricultural produce, divided between food and other agricultural products.

SUMMARY

There now appears to be a somewhat greater risk that demand may become excessive, if the Government takes no action. There has been no radical change in trend ; but demand seems likely to rise a little faster than we thought, and the reserve of labour is probably smaller than we estimated. Further, the balance of payments has got rather worse.

Demand

A big rise is planned in *defence expenditure*—though, judging from past experience, performance may fall short of plan in the early stages. The Estimates also include large pay increases, and there are more to come—doctors' pay, for instance ; salaries generally are not lagging behind wages as much as they used to do. Together with the advance of the wage round, this will raise *personal consumption*.

Exports are rising strongly ; in January-February they were about 15 per cent higher (in volume) than a year earlier. Exports to the sterling area are rising, but are still below their peak ; sterling countries are still building up their reserves. Demand in Europe and North America should stay strong.

There is no reason to revise the view that *fixed investment* might go up some 10 per cent this year and that *investment in stocks* will not rise further. Manufacturing industry's investment has been slow to recover ; in the fourth quarter of last year it was no higher than its low point in the first quarter ; order books in the engineering industry lengthened very little up to December. *Stocks* appear to have been rising fast in the last quarter of 1959 ; they can hardly continue to rise so fast for long.

On the supply side, *unemployment* has fallen further in the last two months, and the *employment* figures for the last year have been revised upwards. The reserve of labour to be drawn on this year is smaller than we thought.

The balance of payments and prices

It now appears that there has been some deterioration in the balance of payments ; some of the worsening may be temporary. There has been a very big increase in imports, and a large part of the rise may have gone into stocks. There was also some short-term capital outflow at the end of last year which has possibly been reversed already. But, in addition, invisible earnings have fallen, and there seems to have been some rise in Britain's net lending of long-term capital.

Prices seem likely to rise gradually ; the probable rise in wages and salaries is greater than the probable rise in output. So also is the rise in profits, which have been going up faster than wages during the recovery.

Some restraint

On balance, the evidence now suggests the need for some restraint. It is important that investment—particularly in capital goods industries—should not be checked. The car industry is in some ways the focus of excess demand ; there is therefore a case for a check to the strong rise in the demand for cars.

But measures to restrain general demand may do little to prevent prices from rising. More direct methods might be tried, such as the abolition of resale price maintenance and the temporary suspension of tariffs. It also seems time to reconsider the possibility of more direct Government intervention in the processes of wage settlement.

25 March 1960

A summary of the article on British imports of manufactured goods is given on page 12. A calendar of economic events for 1955-1959 is given on pages 30-38 ; the purpose of the calendar is to give the precise dates of such events as changes in Bank Rate, hire purchase rates, purchase tax, investment and initial allowances, national insurance contributions, and so on.

THE ECONOMIC SITUATION

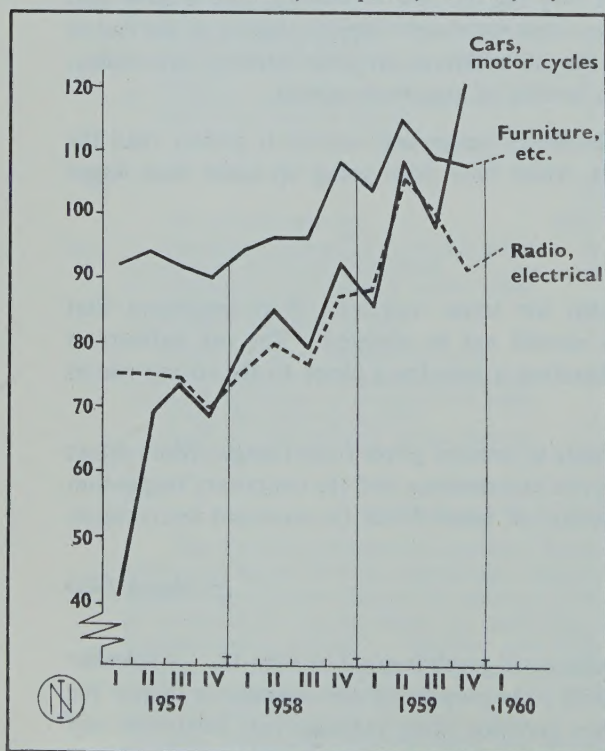
Industrial production has continued to expand and is estimated to have been 10 per cent higher in January than a year earlier. The main forces behind the expansion have been continuing increases in consumption and exports. Although there has been no radical change of trend in the economy, the risk that demand will become excessive appears to have increased.

Consumers' expenditure

Consumers' expenditure has continued to rise and the increase has been concentrated less on durable goods than before. Revised estimates of total consumers' expenditure show a rise of 2.5 per cent (seasonally corrected) between the third and the fourth quarter. The retail sales figures point to a further rise in January and February.

There were particularly large increases in spending on food and clothing in the fourth quarter of last year. Expenditure on new cars, for which there are long waiting lists, rose again as more supplies became available. New registrations for January and February indicate a further increase. On the other hand the boom in demand for durables other than cars has, as expected, eased off. Demand for radio and electrical goods declined in the second half of 1959 after the

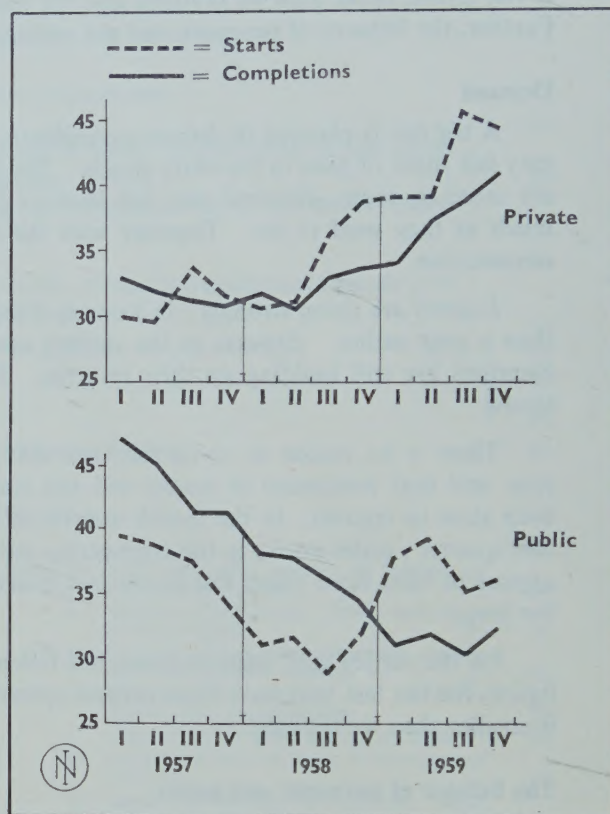
Chart 1. Consumers' expenditure on durable goods
£ million, 1954 prices, seasonally adjusted



Source : Appendix table 8.

Chart 2. Housing starts and completions^(a)

Number, quarterly rates, seasonally adjusted



Source : Monthly Digest of Statistics, seasonally adjusted by NIESR.
(a) Great Britain.

particularly high second quarter, but now appears to be stable (chart 1).

Rising real income has provided the basis for the upward trend in consumption and is likely to go on doing so. The rate of increase in wages and other incomes (before tax) has been rising (see page 8). Hire purchase borrowing rose in the fourth quarter by about the same absolute amount as in the preceding quarters. The rate of increase in 'personal and professional' bank advances declined in the three months up to November 1959 but recovered again in the following quarter. In January the rate of increase in hire purchase debt slowed down, but that was due to a decline in net lending through household goods shops, and this may have been partly seasonal. There was a further increase in the number of hire purchase contracts for vehicles in February. The monetary measures taken so far by the Government may slow the rise in advances but, as noted later, that will probably not have much effect on consumers' expenditure. If no further restraints are applied, consumers' expenditure is likely to continue to rise at a high rate.

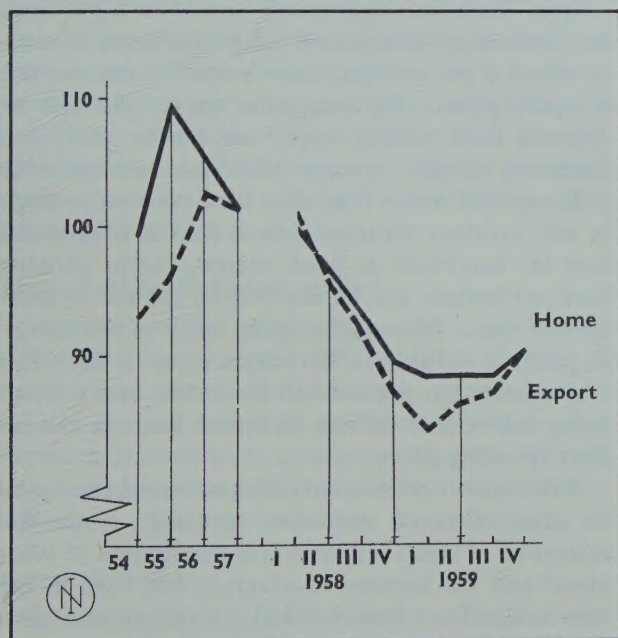
Fixed investment

Housing starts, both public and private, continued to exceed completions in the fourth quarter (chart 2). The number of houses started by local authorities may decline this year and there may not be sufficient further increase in private housing to offset this. But in any event the amount of work done on housing is likely to go on growing for some time, supplies permitting. Apart from housing, public investment, in which an increase had long been awaited, rose substantially in the third quarter.

The rise in manufacturing industry's investment plans has not yet begun to show itself in the figures of actual investment. In the fourth quarter of 1959, investment in manufacturing industry (seasonally adjusted) was the same as in the first quarter of the year—the lowest quarter since the beginning of 1955. The rise in plans is beginning to show itself a little in increased orders for capital goods; but the change is only small. Engineering orders on hand for the home market in December were still only 3 per cent above the trough at the beginning of 1959 (chart 3). It appears that orders placed by manufacturers before the end of the year did not fully reflect their investment intentions for 1960.

Chart 3. Engineering and electrical goods industries : orders on hand

Index numbers, January 1958 = 100



Source : Board of Trade Journal.

Government expenditure

Government expenditure above the line, as shown in the departmental Estimates, is expected to rise by over £250 million in 1960/61, compared with the Estimates (including Supplementaries) for 1959/60.

The main reason for this large rise is the increase in defence expenditure.

Public authorities' real current expenditure on goods and services, including a guess for local authorities, looks as if it will rise by something like £150 million at present prices. This includes nearly £100 million extra for defence supplies, on which expenditure, judging by past experience, may not rise as fast as is estimated.

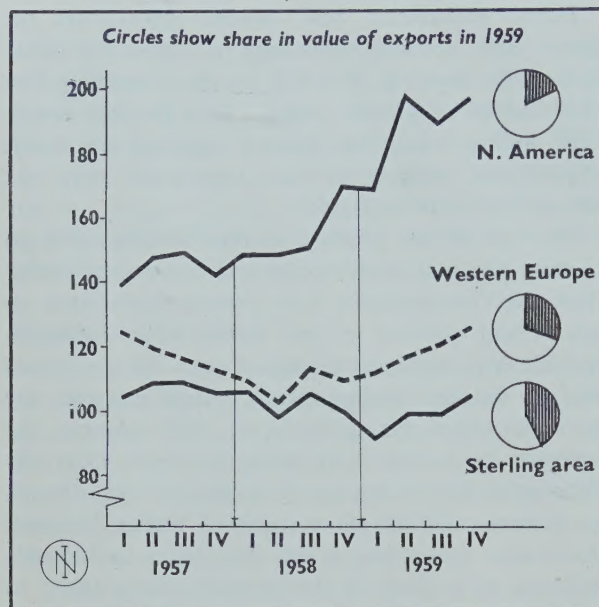
The rest of the increase in the Estimates will go to raise personal consumption and investment, rather than the Government's own current expenditure on goods and services in real terms. The Estimates include large increases in rates of pay—for the Forces and for teachers among others. More increases are to be expected during the year. For example, the increase in doctors' pay likely to result from the Pilkington Report has not been allowed for. Grants to persons will rise as a result of higher National Assistance scales, and grants and loans to industry will rise as a result of the measures being taken to help the cotton industry and to induce firms to enter areas of high unemployment. In addition, the Estimates include some provision for higher public investment, particularly in roads.

Exports and demand abroad

Exports, which have been rising since the spring of last year, spurted again in January and remained at about the same level (seasonally adjusted) in February. The volume of exports in the fourth quarter is now estimated to have been 11 per cent higher than in the first quarter of last year, when they were still depressed by the recession. The figures for January and February show an increase of 17 per cent in value, or over 15 per cent in volume, compared with the same period of 1959.

Exports to the overseas sterling area are now rising again (chart 4). Moreover there are now clearer signs of an increase in export demand for capital goods. In December, export orders on hand for engineering products were 7 per cent higher than at the beginning of the year (chart 3). But there is little reason yet to suppose that this increase in outstanding orders indicates that the engineering industry is overloaded and that delivery dates are generally lengthening. Engineering production is only just beginning to rise.

The general trend of demand abroad, both in the industrial and the primary producing countries, has continued upwards. In a number of European countries the monetary authorities have taken steps to check the growth in demand, but expansion has not begun to slow down. In the United States there has been greater uncertainty recently about the likely rate of expansion this year. Production has increased

Chart 4. Volume of exports, by area*Index numbers, 1954 = 100, seasonally adjusted*

Source : Appendix table 16.

rapidly since the end of the steel strike, and output of both steel and cars has been in excess of consumption. Steel stocks have been quickly replenished and demand for cars has not lived up to manufacturers' earlier expectations. At present, however, it seems generally to be expected that expansion will continue throughout the year. There has been no great change in the situation of the primary producing countries generally. Those in the sterling area appear to have increased their imports fairly sharply in the fourth quarter, but their sterling holdings have continued to rise. The NIESR index of export prices of primary producing countries, which had risen by 1 point in January, fell back again in February as a result of lower prices of foodstuffs and wool.

Investment in stocks

Revised estimates indicate that in the third quarter of last year investment in stocks reached an annual rate of just over £400 million (seasonally adjusted). It is provisionally estimated to have remained at about the same level in the fourth quarter. This confirms the impression that a rising rate of investment in stocks was one of the main causes of expansion last year, and that by the end of the year the rate of investment in stocks had reached a high level. It is unlikely to rise higher for long. In the fourth quarter manufacturers' stocks of finished goods, as well as their work in progress and stocks of materials and fuel, showed a considerable increase. At the same time retail stocks increased slightly, whereas they normally fall in the fourth quarter. Part of this

appears to have been due to rising stocks of household durable goods, production of which ran ahead of estimated sales. During 1959 retailers' stocks as a whole increased rather more rapidly than retail sales whereas in the previous year the opposite was true. Investment in stocks of mainly imported commodities increased in the fourth quarter. The main increase was in stocks of foodstuffs.

The general outlook for demand

In the last issue of this Review, it was suggested that total real demand would rise rather less rapidly in 1960 than in 1959.⁽¹⁾ The planned increase in defence expenditure, the strength of export shipments and orders, and the rate of increase in wage earnings and other incomes, all suggest that this estimate should probably be raised. It seems likely that the increase in real demand will be about as large as last year—about 5 per cent—while the increase in money demand will be larger. (This refers to the change expected between the beginning and end of the year, not to the change in the year as a whole compared with 1959 as a whole.) But there remains the uncertainty whether the Government will take further action to restrain demand or not.

The steps that have been taken to restrict credit will probably not check the growth of demand much. Indeed the effect is likely to be outweighed by the planned rise in defence expenditure.

Since Bank Rate was raised from 4 to 5 per cent, the authorities have raised long-term interest rates by about $\frac{1}{4}$ per cent and have helped to cause a fall in equity prices. But companies are not likely to be deterred from raising equity capital by what has happened so far: current dividend and earnings yields are still lower than they have been on average in any previous post-war year. And it is doubtful how far borrowers at fixed interest, except perhaps local authorities, will be deterred by the rise in fixed interest rates. The psychological effect of the change in policy is unlikely to have been great so far. The Government has not tried to be drastic, and without being drastic it is difficult to induce firms to change their spending plans.

If the banks are forced to ration advances, there may be some effect on consumer spending; since the relaxation of credit restrictions in the autumn of 1958, about half the increase in advances has been in the two categories 'finance' and 'personal and professional' (table 1). But the general measures so far taken to restrict credit are not likely to restrain consumer borrowing through hire purchase.

⁽¹⁾ See *National Institute Economic Review*, no. 7, page 28 and table 39, page 44.

Table 1. Bank advances : the pattern of the increase

	Percentage of the <i>absolute</i> level of advances in May 1958	Percentage of the <i>increase</i> in advances from May 1958 to February 1960
Agriculture and fisheries ..	11	9
Manufacturing industry ..	30	15
Building, public utilities ..	7	7
Transport, shipping and shipbuilding	3	4
Retail trade	9	13
Finance	11	19
Personal and professional	16	26
All other	13	7
Total	100	100

Source : British Bankers' Association.

The flow of funds to the building societies may be reduced by the rise in interest rates offered by rival borrowers after the increase in Bank Rate. Lack of funds may cause them to be more stringent in lending and, eventually, to raise their rates. But figures up to the end of the year and, more recently, the annual statements of some of the societies, indicate that they are not yet short of funds. Moreover the building societies tend to give priority to loans for new houses, so that greater stringency of lending is likely to fall mainly on second-hand houses (other than the pre-1919 houses for which Government funds are available). There is likely to be little or no effect on new housing for some time at least.

The criteria for budgetary action

There are three main, inter-related, criteria by which the Government is likely to decide whether or not to take action in the Budget or elsewhere to restrain demand : the risk that demand will become excessive in relation to productive capacity, the risk of price increases and the risk of balance of payments difficulties. The first is the most fundamental.

Excess demand

Excess physical demand may show itself in shortages of commodities and long order books, in abnormal imports, or in shortages of labour. It may cause increases in prices and incomes.

Since the last issue of the Review, the Ministry of Labour has revised its estimates of employment back to November 1958. The estimate of total civil employment in November 1959 has been raised by

no less than 175 thousand. This implies that total civil employment rose during 1959 by 1.6 per cent instead of by 1 per cent as previously estimated. It therefore appears that the rise in productivity was less than was thought, and that the remaining reserve of labour to be drawn upon this year may be relatively small.

The latest trends in demand, together with these new employment figures, make it more likely that there will be a labour shortage this year. Unemployment has continued to fall. In March, it stood at 1.6 per cent and vacancies at 1.3 per cent (both seasonally corrected). Both had scarcely changed since December. There was a greater decline in unemployment in Scotland than in other areas. Between the end of October and the end of December, the last month for which full details are available, employment in the motor, iron and steel and machine tool industries appears to have increased more than seasonally, while employment in coal-mining and cotton declined.

There is evidence of shortages of some final and intermediate products. Waiting lists for cars are still long and imports of sheet steel are at a high level ; in January-February, 91 thousand tons of sheet were imported, compared with 18 thousand tons a year earlier. The recovery in orders for capital goods, on the other hand, still appears to be patchy and home orders for engineering goods, as noted above, still have not recovered far.

The brick shortage, which is less acute than it was in the summer, does not appear upon enquiry to be holding up work on building sites at all frequently. But brick stocks are still low, there has been precautionary over-ordering and delivery dates are still long. It seems to be expected in the trade that there will not be a severe shortage unless this summer is unusually fine.

Restocking of steel had scarcely begun by the end of last year but has probably accelerated since then. Steel output has continued to expand and in February the industry was operating at about 98 per cent of nominal capacity. It may be possible to operate a few per cent above the nominal capacity and during the year there is expected to be an increase in capacity of about 1 million tons or 4 per cent. Supplies of crude steel should be sufficient to meet probable demand in 1960, including considerable restocking. But there will not be much margin.

There is a clear risk that during the year the growth of total demand will outstrip the supplies of labour. There is still substantial spare capacity, especially in the heavy engineering industry and in the North. But the rise in demand cannot be suddenly orientated in these directions, and the pressure on other industries and on labour in other areas may grow considerably.

Table 2. Changes in wage rates and hours of work

	1957	1958	1959	1958				1959				1960
				I	II	III	IV	I	II	III	IV	I ^(p)
All industries^(a)												
Millions obtaining awards	12.3	11.2	4.7	2.4	3.1	3.0	4.4	2.2	0.7	1.7	0.8	6.0 ^(b)
Index of wage rates : percentage increase in period ^(c)	5.4	5.4	1.1	0.5	0.6	1.1	1.3	0.4	0.1	0.3	0.3	..
Index of standard hours : percentage decrease in period	0.3	0.1	0.1	—	—	—	—	—	—	0.1	—	2.0
Major negotiating groups												
Millions obtaining awards	7.7	7.2	0.9	0.1	0.9	2.9	3.3	—	0.2	0.5	0.2	4.7
Months since last award	13.4	15.4	15.0	12.0	14.9	15.6	15.5	15.0	10.4	16.1	16.4	18.3
Average percentage award in hourly rates ^(d)	5.8	4.3	3.5	6.3	4.5	4.6	4.0	4.5	2.0	3.4	4.9	4.8

Source : NIESR estimates from data in *Ministry of Labour Gazette*.

(a) About 13½ million wage earners ; excluding clerical workers.

(b) Out of the 6 million, 2.4 million obtained a rise in wages only, 2.7 million obtained a reduction in hours only and 900 thousand obtained both.

(c) From end of one period to end of next period.

(d) Including effect of reductions in the standard working week without loss of pay.

(p) Provisional.

Prices and costs

Prices are likely to rise gradually this year. Import prices seem unlikely to rise much, for the reasons suggested in the last issue of this Review. In February, the NIESR index of current import prices fell by one point to a level about the same as last autumn. But the long-term problem of rising home costs, which was temporarily submerged by the fall in import prices in 1958 and by the large rise in productivity associated with recovery last year, seems bound to re-emerge.

The rate of increase in the wage bill is likely to rise this year. The results of the October earnings enquiry suggest that 'wage drift' re-emerged last year on quite a substantial scale. Between October 1958 and October 1959 wage earnings rose 4 per cent more than wage rates, of which only about half can be explained by longer hours and overtime.

In recent months there have been a large number of wage settlements (table 2), typically for a pay rise of 4 to 5 per cent, or—what is probably equivalent—reductions of 2 hours in the working week.⁽¹⁾ Last year, the average award was 3½ per cent.

This year the interval between wage awards may shorten and the average award rise. There are so many special circumstances affecting railway pay that the Guillebaud Report settlement is unlikely to set the pace for wage increases in other industries though it is bound to have some influence. The increases in profits and salaries may be more important. Profits, after being squeezed during the period of stagnation, have been rising much faster than wages during the recovery. There is no up-to-date evidence on salaries.

⁽¹⁾ *National Institute Economic Review*, no. 7, January 1960, page 24.

The following figures show that until 1956 salaries per head in manufacturing were being overtaken by wages per head, but that from then until 1958, this trend was checked. This reversal was the result of a general increase in salaries together with a relative increase in the number of higher-paid salaried posts :

Salaries per head as percentage of wages per head in manufacturing industry

1948	1950	1952	1954	1955	1956	1957	1958
170	169	161	157	153½	151	152	152

Recently there have been a number of large salary awards, or recommended awards, in both the public and private sectors. For example, under the terms of the Pilkington Commission Report, in April general practitioners will get an increase of 12 per cent above the pay scales fixed in January 1959, when the last increase was given. The executive Class of the Civil Service in January received increases of between £50 and £250 annually, back-dated to 1 October 1958. Through the establishment of *ad hoc* committees or permanent machinery—like the Civil Service Pay Research Unit—salary earners became better organised to defend their relative pay at the same time as wage increases slowed down.

The likely pace of inflation this year should not be exaggerated. If profit margins do not change, a price rise of about 1 or 2 per cent is what seems most likely on present prospects.

The balance of payments

It now appears that the balance of payments has deteriorated somewhat. At the end of last year—apart from seasonal and special factors—this was principally due to lower invisible earnings, an increase

Table 3. Change in reserves and liabilities

£ million

				Including all transactions			Excluding special transactions ^(a)		
				Overseas sterling holdings	Gold and convertible currency reserves	Net position (improvement = +)	Overseas sterling holdings	Gold and convertible currency reserves	Net position (improvement = +)
1959	I			-101	+ 25	+126	- 10	+ 60	+ 70
	II			+200	+ 12	-188	+ 90	+ 70	- 20
	III			+ 66	+ 40	- 26	+ 70	+ 40	- 30
	IV			+ 62	-196	-258	+ 60	- 40	-100
1960	Jan./Feb. ..				- 5			+ 10	

Source : *Economic Trends*.

(a) The figures in this section of the table have been rounded and roughly adjusted to eliminate the effects of certain large transactions of an exceptional kind. These are the United Kingdom subscription to, and sterling repurchases from, the IMF, United Kingdom payments in the fourth quarter of 1959 on the Export-Import Bank loan and other North American loans, German loan and defence payments apart from local transactions in Deutschmarks, and net United Kingdom repayments of EPU debt in January-February 1960.

in outgoings of long-term capital, and some movement of short-term capital as well. Since the beginning of this year, the short-term outflow has probably been checked, but the balance in visible trade has got a little worse.

Britain's current balance of payments lapsed into deficit in the fourth quarter, and for the year showed a surplus of just under £150 million—less than we had expected. The net monetary position (roughly, the balance between Britain's 'quick' assets and 'quick' liabilities) deteriorated by about £100 million (table 3), after allowing for the exceptionally heavy loan payments.

Table 4. Trade balances

£ million, monthly rates

		Trade accounts	Balance of payments
1954		-51	-16
1955		-73	-30
1956		-48	- 5
1957		-52	- 3
1958		-36	+ 8
1959		-44	- 5
1958	I	-25	+19
	II	-35	+12
	III	-42	- 2
	IV	-43	+ 4
1959	I	-39	- 6
	II	-32	+ 6
	III	-55	-14
	IV	-49	- 6
1960	Jan./Feb.	-49	..

Source : *Appendix tables 14 and 23*.

The deficit on visible trade was substantially smaller than in the previous quarter for seasonal reasons (table 4). But there was a big deterioration in the invisible balance. An increase in Government overseas expenditure was to be expected as this year's German contribution for the maintenance of British troops in Germany was exhausted. It is, however, surprising that, after allowing for the end-year loan interest payments, the surplus on other invisible items should have fallen away. A seasonal improvement might have been expected, and earnings from overseas production of primary commodities should have been recovering. The autumn rise in tramp freight rates may have had some adverse effect, but can only be a partial explanation.

Long-term investment abroad (net) cost all but £200 million in the fourth quarter. On Government account the repayment of the loan from the Export-Import Bank and the regular end-year repayments of American debt probably coincided with a high level of new lending to those primary producing countries which have been in difficulties. Net private investment abroad also increased.

There was an identified net outflow of £25 million of short-term capital. Other figures in the balance of payments suggest that there may have been unidentified leads and lags on a modest scale. This, however, was probably not a major cause of the unfavourable movement of the reserves. Indeed it is noticeable that there was a rise in the sterling balances of both Western Europe and North America.

Since the increase in Bank Rate on 21 January, the movement of the reserves has been reasonably satisfactory, but it is impossible yet to say whether this was caused by a repatriation of funds after an earlier outflow or whether it had a more solid basis.

Seasonally adjusted, the trade account figures show a rather bigger deficit in January-February than in the fourth quarter (an average of £59 million per month compared with £53 million). Exports were up on this basis by £43 million per month (about 5 per cent), but there has been an even steeper rise in imports, particularly in February. A substantial part of these additional imports may have gone into stock, and it is unsafe to base any firm conclusion on swings from one month to another, even on seasonally adjusted figures. This applies particularly when, as in February, the adjustment is a big one and may be falsified by abnormal weather conditions. Nevertheless there will be grounds for concern if the trend persists.

Conclusion

Until recently there has been a good case for allowing demand to continue to rise unrestrained. But the balance of advantage has been swinging the other way. The likely increase in demand now appears rather greater, and the reserve of labour rather less, than they did in January; the balance of payments looks weaker. Further there is little sign that the growth of demand will slow down of its own accord to the rate dictated by the present underlying trend of productivity. The Government is therefore likely to have to act.

It would be wrong to criticise measures to restrain the growth of demand on the grounds that they would represent a reversal of policy. The regulation of demand so as to achieve full employment and continuous expansion requires that policy be flexible—that is, that it be adjusted often. Budgetary policy is more potent than credit policy. It is therefore particularly important that it be flexible.

Generally, there is a case for choosing measures which restrain consumption, not investment, especially not investment in the capital goods industries. Since the recovery began eighteen months ago, there has been a large increase in consumption, and a considerable rise in actual and planned investment in the consumer sector—notably investment in housing and the motor industry. But there has so far been little response by investment in the capital goods industries. The problem now is to hold back the growth of consumption whilst trying to encourage, rather than discourage, investment in the capital goods industries, upon which the trend of productivity largely depends.

The area where demand shows most signs of being excessive is the motor car industry. Demand for cars, unlike demand for other durables, is very strong. The main motor car firms have announced expansion plans which will raise vehicle output by some 60-70 per cent between 1959 and 1962. If output, in fact, rose as much as this, it might well outstrip the probable expansion of sheet steel output ;

it is certain greatly to outstrip road-building. Although the main new plants are to be located in areas of high unemployment, both in their equipment and operation they are bound to make large demands on other areas. If left to go ahead unchecked, these plans may force the Government to be restrictive later on, say in 1961. Consequently, there is unlikely to be such a rapid rise in demand as the motor firms, in competition with one another, are catering for. It would probably be wise to check demand for cars now and to encourage the motor industry to slow down its plans—though not to halt them. The two possible ways of restricting demand for cars are hire purchase restrictions and purchase tax. A rise in purchase tax would not directly influence the retail price index. It does not include new cars.

The continuing problem of prices

A price rise of 1 or 2 per cent seems most likely on present prospects. Measures to moderate the growth of demand might help to prevent costs and prices from accelerating next year; but they would be unlikely to stop the rise this year. No means has yet been found of reconciling price stability with sustained growth; new measures must be tried. No one measure is likely to be decisive, but there are several that may be worth trying.

If measures were taken to increase competition, that should help both to check prices and to check the growth of profits. It is a truism that if price stability is to be achieved, prices must be reduced in those industries in which productivity rises by more than the average, so as to offset price rises in those industries in which productivity rises little. In the past year there has been a great spurt in productivity, but price reductions have been few and small. It is clear from company reports that, although there have been isolated instances of price reductions, many companies have let rising productivity lead to increases in profit margins as well as in turnover. Since April 1959 wholesale prices of manufactured goods have risen slightly. Retail prices of household durable goods have fallen by only $\frac{1}{2}$ per cent since mid-April (after the 2 per cent reduction due to the cut in purchase tax). Yet these goods are produced by industries in which the productivity increase in the past year must have been large. Attempts to make these prices fall by reducing demand would be liable to check the growth of productivity and so be self-defeating. But the abolition of individual resale price maintenance might be effective.

This step might be reinforced by the reduction or temporary suspension of tariffs on consumer goods. As is shown in the article on imports of manufactures (page 19), British tariffs are high. A reduction in tariffs on selected goods might induce price cuts

without great cost to the balance of payments. Lastly, the Government might consider whether it is possible to cut some of those prices over which it has direct control. The sharp recovery in steel output must have been accompanied by a large increase in profits, which were surprisingly high last year when the industry was suffering from recession. This may provide a good opportunity for a cut in steel prices, which are administered by the Government. There have been some reductions in steel prices, but they

have been small.

Measures of this sort to check prices and profits would help to create an atmosphere in which the Government might try more directly to influence the course of wages and salaries. The Council on Prices, Productivity and Incomes seems to have been abandoned since the Chairman resigned six months ago, and none of the possible new methods of intervention listed in the Council's last report has been pursued.

BRITISH IMPORTS OF MANUFACTURED GOODS

(Throughout this article, the term 'finished manufactures' excludes textile yarns and fabrics, and the term 'manufactured goods' includes them. Footnote (a) to table 5 gives full definitions.)

I. SUMMARY

The general position

Imports of manufactured goods, both of finished manufactures and of textiles, have been rising rapidly in Britain—over 50 per cent in the last five years; they are now much bigger, in relation to national output, than they were before the war.

This rise is not peculiar to Britain; it is common to most industrial countries, and the increase in Britain since 1954 has been no more than average. The volume of interchange of manufactured goods between industrial nations went up some 12 per cent a year between 1950 and 1955—as fast a rise as at any time this century. In most countries, the share of imports of manufactured goods has been rising, both in the total of investment expenditure and in the total of consumers' expenditure; imports are usually a much larger part of investment than of consumer spending.

The post-war rise in these imports, in Britain as in other European countries, is, of course, linked to the removal of quotas. These have now almost entirely disappeared in trade with the sterling area and Western Europe; there are still a few left on imports from the dollar area; but imports from Japan and the Sino-Soviet bloc are still restricted. Imports of manufactured goods from the dollar area have risen much less than those from Western Europe; this does not seem to be entirely because quotas were removed later from dollar goods. The removal of quotas still leaves Britain with substantial tariff protection—a higher tariff, for instance, than in Western Germany; but the position is, of course, likely to change a good deal in the next few years.

The commodity pattern

Machinery imports account for about two-fifths of total imports of manufactured goods; for most items, the share of imports in home supplies has been rising in recent years—though for a number of items (office machinery and machine-tools, for instance) it is substantially less than it was before the war.

In *transport equipment* there have been two major incursions into the British home market—ships and motor-scooters. Imports of cars are rising—but

they are still only about 4 per cent of total home supplies; the proportions are much higher in the United States and Western Germany.

In *clothing*, the competition from imports is at both ends of the quality scale. Far Eastern countries compete with extremely cheap goods; Western European countries with quality articles. Imports of both have been rising.

Watches, clocks, cameras and toys are all examples of products in which a substantial home industry has been established since the end of the war. For watches and cameras, the British industry has been successful with the cheaper article, but less successful with the more expensive one. The import share in these markets is now rising, as consumers are turning to the more expensive varieties.

In imports of *textiles*, cotton fabrics account for most of the rise; there has been a big increase both in imports of grey unbleached cotton cloth and also in imports of more expensive fabrics from Western Europe. Hong Kong, India, and Pakistan have, however, agreed to a voluntary limitation of their grey cloth exports.

Conclusion

Imports of manufactured goods are competitive with British products in a wide variety of ways. A good deal of machinery is imported because it is not made at all in this country—there is widespread international specialisation in machinery manufacture. Textiles and clothing from Hong Kong compete on price; ships, partly on delivery dates; typewriters, probably, on design.

Some of the recent rise in imports of manufactures may be the once-and-for-all effect of the removal of controls; but it seems probable—judging from the experience of other countries—that imports of manufactures will continue to grow more rapidly than national output. Tariffs will soon be lowered for goods from a few countries, and it is possible that they may be lowered for goods from a much wider group; if this happens, imports of manufactures should rise well above their 1929 volume, to which, at the beginning of 1960, they have just recovered.

The rise in imports of manufactured goods into Britain is part of a general increase in the interchange of manufactured goods between industrial nations. Since 1954, Britain's balance of trade in manufactured goods has been worsening with Western Europe, but has been improving with North America; in total, the increase in her exports of manufactured goods to all industrial countries together has been appreciably greater than the increase in her imports from them.

II. THE GENERAL POSITION

The rising trend

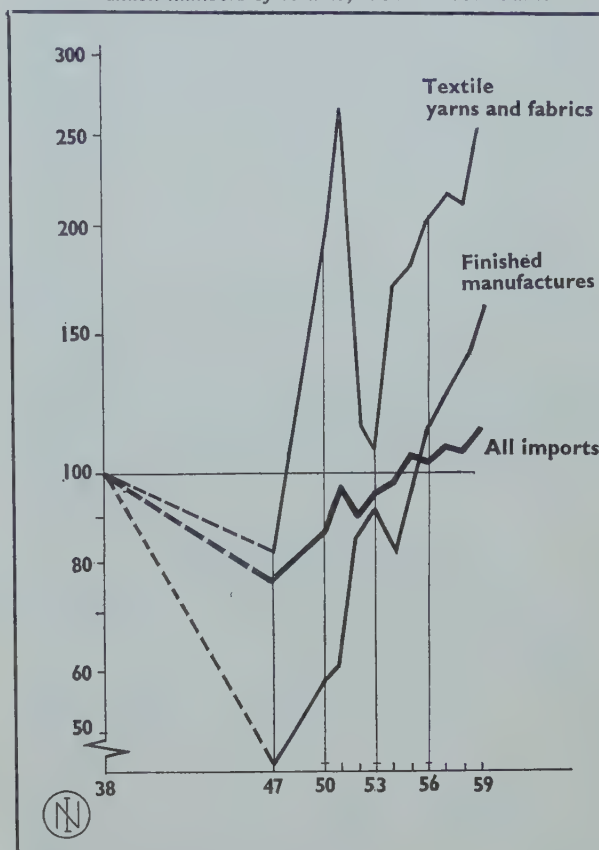
In recent years, imports of finished manufactures have been rising very much faster than total imports. Up to 1954, this could be counted simply as a return to the pre-war position (chart 5); for in that year both total imports and imports of finished manufactures roughly recovered their pre-war volume. But since 1954 the volume of imports of finished manufactures has continued to rise—by about 15 per cent a year, compared with 4 per cent a year for the volume of total imports. Last year imports of finished manufactures accounted for a third of the total rise in the value of imports.

Imports of textiles—textile products other than made-up goods—have also risen much faster than total imports in the last five years, and they are well over twice as big as they were in 1938; they now account for about a quarter of the total value of imports of manufactured goods. They are shown separately (table 5 and chart 5), since some of them are processed further in this country and so are not strictly finished manufactures. The rise in these imports has not been steady. There was a peak as early as 1951 caused partly by substantial military buying in that year. Then severe import restrictions were reimposed on textile manufactures in the balance of payments crisis at the end of 1951. In addition, there was a slump in the demand for textiles in 1952, and for some textiles even the sharply reduced quotas were not filled. But from 1953 onwards, textile

imports have been as fast as those of finished manufactures.

Chart 5. The rise in imports of manufactured goods

Index numbers of volume, 1938 = 100. Ratio scale



Source: Board of Trade and NIESR estimates.

Table 5. Imports of finished manufactures and textiles

	1938	1947	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1959 Value £mn.
Finished manufactures													
Volume	128	54	74	76	107	115	100	122	136	153	167	201	392
(Index numbers, 1954 = 100)													
Value	7.5	4.2	4.2	3.4	5.6	6.1	5.2	5.5	6.4	7.0	8.5	9.8	
(Per cent of total imports)													
Textiles													
Volume	59	48	121	152	71	65	100	107	120	129	124	149	98
(Index numbers, 1954 = 100)													
Value	1.8	2.8	3.1	3.9	2.4	1.4	2.1	1.9	1.9	2.2	2.2	2.5	
(Per cent of total imports)													
Total manufactured goods													
Volume	108	52	87	98	97	101	100	118	131	146	154	186	490
(Index numbers, 1954 = 100)													
Value	9.3	7.0	7.3	7.3	8.0	7.5	7.3	7.4	8.3	9.2	10.7	12.3	
(Per cent of total imports)													

Source: Board of Trade and NIESR calculations.

(a) Finished manufactures are divisions 14-23 of class D in the Trade and Navigation accounts: these include metal manufactures, electric and other machinery, railway and road vehicles, aircraft, ships and boats, clothing, footwear, scientific instruments, optical goods, watches and clocks, and miscellaneous manufactured articles. Textiles are divisions 6-9 of class D: these include woollen and worsted yarns and fabrics, cotton and synthetic fibre yarns and fabrics, and miscellaneous textile manufactures. The rest of class D consists almost entirely of semi-manufactures imported for further processing, such as chemicals, leather, paper, iron and steel and non-ferrous metals, though certain finished manufactures of minor importance are included among these other divisions, such as soap, some proprietary medicines, manufactures of rubber, wood and paper, domestic glassware, pottery and jewellery. Since their value is small, these have not been included in this study.

Together, finished manufactures and textiles are bigger than they were in 1938 in relation to the national income. Comparing the volume movements in the last twenty years, imports of manufactured goods have risen perhaps twice as fast as national output. In value terms, at current prices, they were 1.5 per cent of the gross domestic product in 1938, 2.1 per cent of it in 1959. Imports of manufactured goods are still a minor feature of the British economy, but one that is growing in importance.

Other countries

It would be disturbing if this rise in imports of manufactured goods in recent years were peculiar to Britain; but it is not—it is common to most industrial countries. Indeed, in four out of the twelve main industrial countries outside the Sino-Soviet bloc, imports of manufactured goods rose faster from 1954 to 1958 than they did here (table 6).

Table 6. Imports of manufactured goods^(a) into industrial countries in 1958

Index numbers of value, 1954 = 100

	Total	Machinery and transport equipment	Textile manufactures	Other manufactures
Western Germany	281	339	174	434
United States ..	218	319	132	185
Austria	217	217	202	236
Japan	192	193	175	192
United Kingdom ..	166	181	120	195
France ^(b)	165	174	147	138
Switzerland ..	164	156	191	168
Netherlands ..	148	150	114	203
Sweden	144	159	102	143
Belgium	141	143	120	151
Canada	137	136	131	144
Italy	114	113	99	126
Total^(c) ..	166	172	134	182

Source: *United Nations Yearbook of International Trade, OEEC Trade Statistics, Series II*, and national trade statistics.

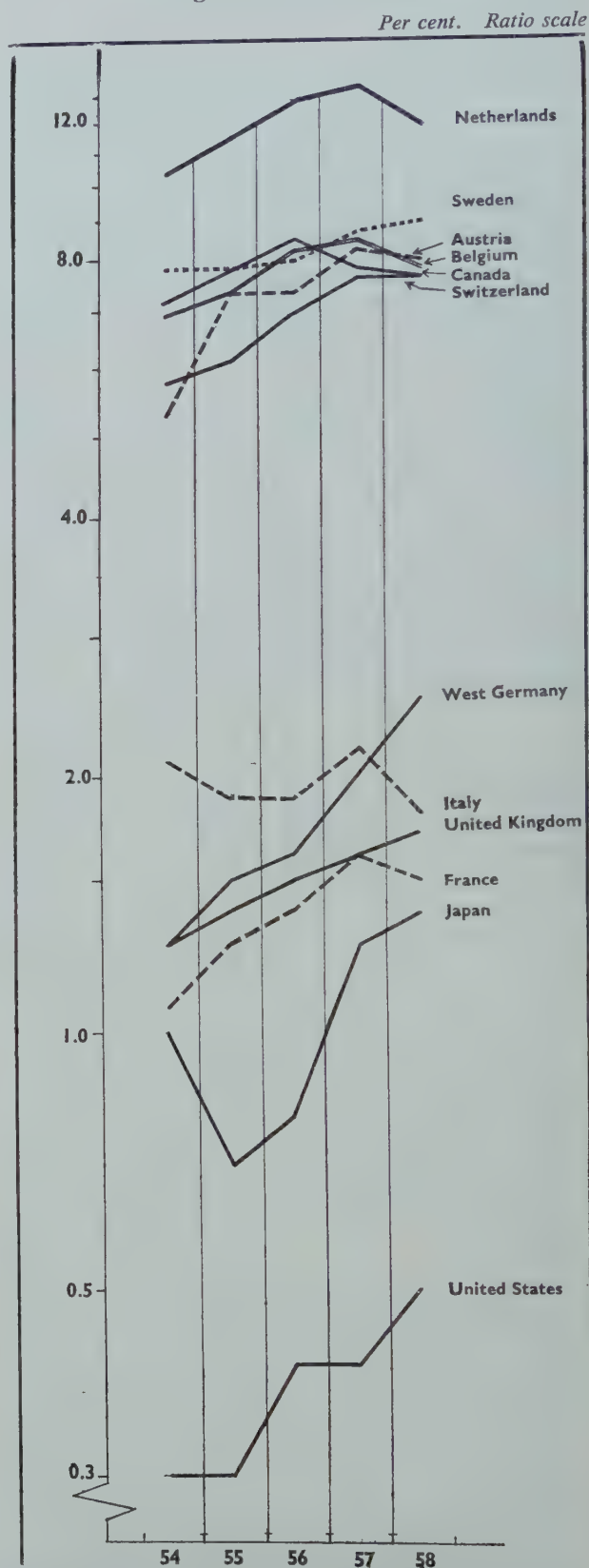
(a) These figures cover class 7 (machinery and transport equipment), class 8 (other manufactures), and group 65 (textile manufactures other than clothing) of the Standard International Trade Classification. Because the British Import List does not follow the Standard International Trade Classification exactly, the figures for the United Kingdom given in this table differ slightly from those given elsewhere in this article. They are in value terms, since volume figures are not available for all twelve countries. But there was probably no very great divergence in the movement of import prices of manufactured goods.

(b) The figures are adjusted for the French devaluation in 1957.

(c) Total of countries listed.

It is true that, over this period, national output rose more slowly in Britain than in a number of other countries. But if, to allow for this, imports of manufactures are compared with the gross domestic product, the trend in Britain from 1954 to 1958 was still not out of the ordinary. In Germany and the United

Chart 6. Ratio of imports of manufactured goods to the gross domestic product



Source: *United Nations Yearbook of International Trade and Yearbook of National Accounts Statistics, OEEC General Statistics*, national trade statistics. The gross domestic product is at factor cost.

(a) The United Kingdom figure for 1938 is 1.5 per cent, and for 1959, 2.1 per cent.

States the ratio of imported manufactured goods to total output increased very much faster than in Britain; and in 1958 these imports were still only 1.7 per cent of Britain's gross domestic product (chart 6). Only the United States, France and Japan show lower figures.

The twelve countries fall into two distinct groups: the small countries, with populations under 15 million, where imports are over 7 per cent of the gross domestic product, and the large countries, with populations over 40 million, where imports are under 3 per cent of it. These different percentages are a natural result of the larger size of the market and consequently the greater diversity of industry in the bigger countries.

Imports are generally a larger part of expenditure on investment goods than of expenditure on consumer goods. This is true of all the twelve countries in 1957, except the United States and Western Germany (tables 8 and 9). Tariffs on consumer goods are relatively high, and import restrictions on them have been retained longer. Further, there is probably more international specialisation in the production of machinery than in the production of consumer goods; and buyers of machinery are possibly better informed about other countries' products than ordinary consumers. But imports of consumer goods have been catching up a little in recent years: in most countries (including Britain), their share in consumer spending since 1954 has been rising rather faster than the share of imports of investment goods in investment spending.

Table 7. The share of imports in total capital expenditure on machinery and transport equipment^(a)

Per cent					
	1954	1955	1956	1957	1958
Belgium	62.9	61.8	65.6	58.8	54.9
Canada	62.0	71.2	65.0	60.6	65.3
Netherlands ..	57.3	55.2	57.4	61.4	61.9
Sweden	47.1	51.3	57.1	59.7	60.8
Switzerland ..	33.8	33.3	36.4	36.9	30.8
Austria	28.0	28.3	31.1	36.7	38.3
Italy	12.1	11.0	10.8	11.9	10.2
France	11.3	12.2	12.5	13.6	11.1
United Kingdom ^(c) ..	8.9	9.4	10.0	10.5	11.2
Japan ^(b)	4.2	3.4	2.9	4.1	4.6
Western Germany ..	4.1	5.1	5.7	7.3	8.8
United States ..	1.5	1.6	1.8	1.9	2.8

Source: *United Nations Yearbook of National Account Statistics*, 1958, and national statistics.

(a) Import figures exclude cars; the capital expenditure figures, for some countries, include a certain amount of business expenditure on cars.

(b) Investment figures include construction other than dwellings.

(c) The 1938 figure is 8.5 per cent, and the 1959 figure, 12.7 per cent.

Table 8. The share of imports in consumers' expenditure on manufactured goods^(a)

Per cent				
	1954	1955	1956	1957
Sweden	25.0	25.2	23.6	25.2
Netherlands ..	24.5	25.4	27.2	29.5
Canada	19.9	21.0	22.1	22.4
Belgium	17.8	18.3	18.9	19.8
Austria	11.7	15.2	17.6	19.3
Western Germany ..	6.4	7.0	6.6	8.4
Italy	5.9	6.6	6.0	6.1
United Kingdom ^(b) ..	5.3	5.5	5.8	6.4
France	2.2	2.5	2.6	2.2
Japan ^(c)	1.5	1.4	1.8	2.4
United States ..	1.5	1.7	2.0	2.1

Source: See table 7. Figures are not available for Switzerland.

(a) Imports of textiles and finished manufactures (other than machinery and transport equipment) as a proportion of consumers' expenditure on non-food manufactured goods other than vehicles.

(b) The 1938 figure is 6.8 per cent, the 1958 figure, 6.6 per cent, and the 1959 figure 8.0 per cent.

(c) Consumers' expenditure includes rent.

Imports of cars—partly consumer and partly investment goods—are shown separately; they have also risen faster than home supplies in a number of countries (table 9). In the United States car imports, which were less than 1 per cent of total home sales in 1954, rose to 10 per cent by 1958; and in Western Germany imports nearly doubled their share of the market over the period. Up to 1958 there was little change in either France or Britain; both kept imports low with a combination of quotas and high tariffs. In Austria, home supplies of cars displaced imports to some extent; and in Japan, the share of car imports in total home sales fell from 67 per cent in 1950 to 12 per cent in 1958; Japan began mass-producing her own small cars in the early 1950s.

Table 9. Passenger cars: the share of imports in home supplies^(a)

Per cent					
	1954	1955	1956	1957	1958
Austria	90	77	80	85	79
Sweden	79	76	76	76	76
Japan	56	44	26	13	12
Canada	12	12	18	18	27
Western Germany ..	4	5	6	8	11
France	3	3	2	2	2
Italy	2	2	3	4	5
United States ..	1	1	2	4	10
United Kingdom ^(b) ..	1	2	2	2	2

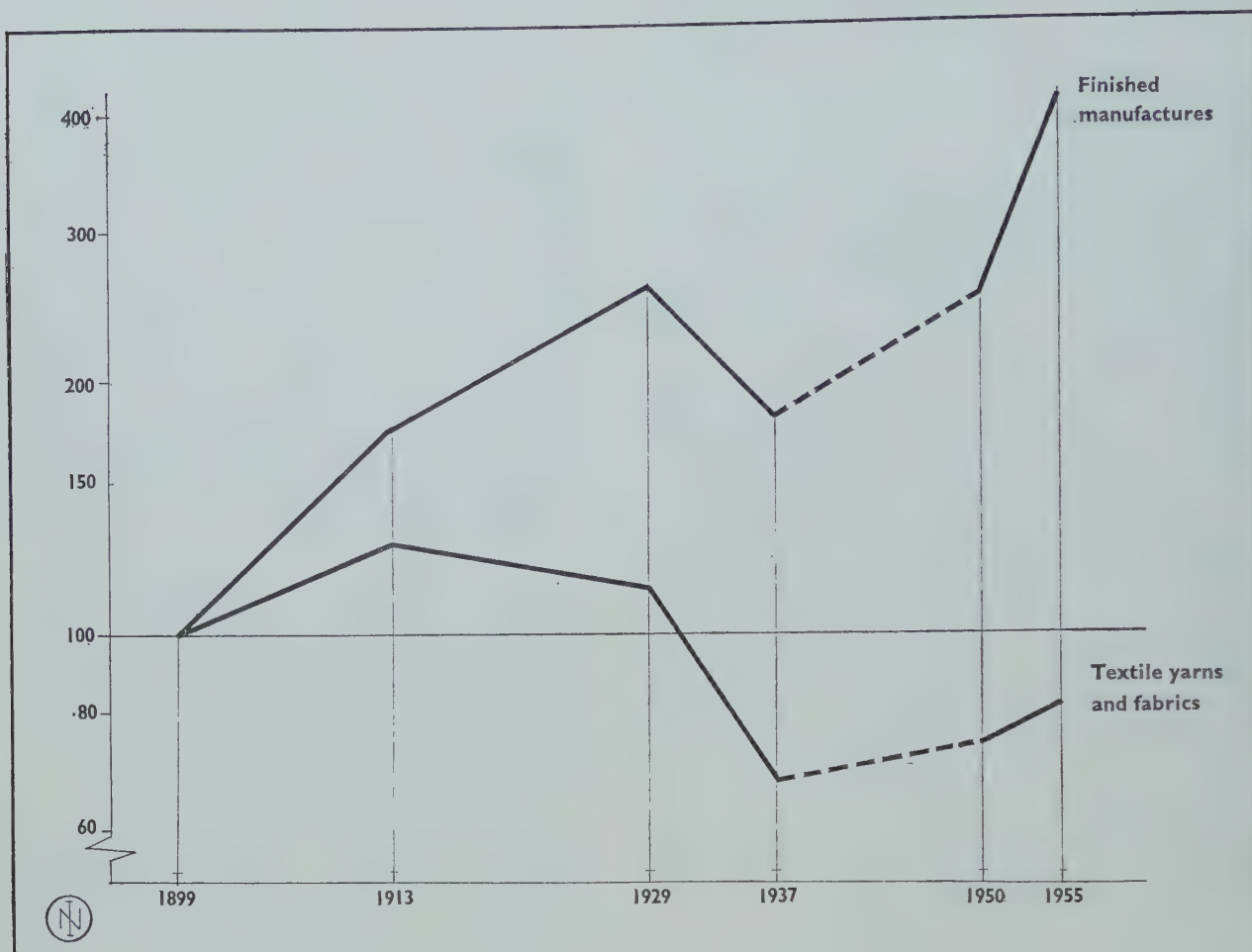
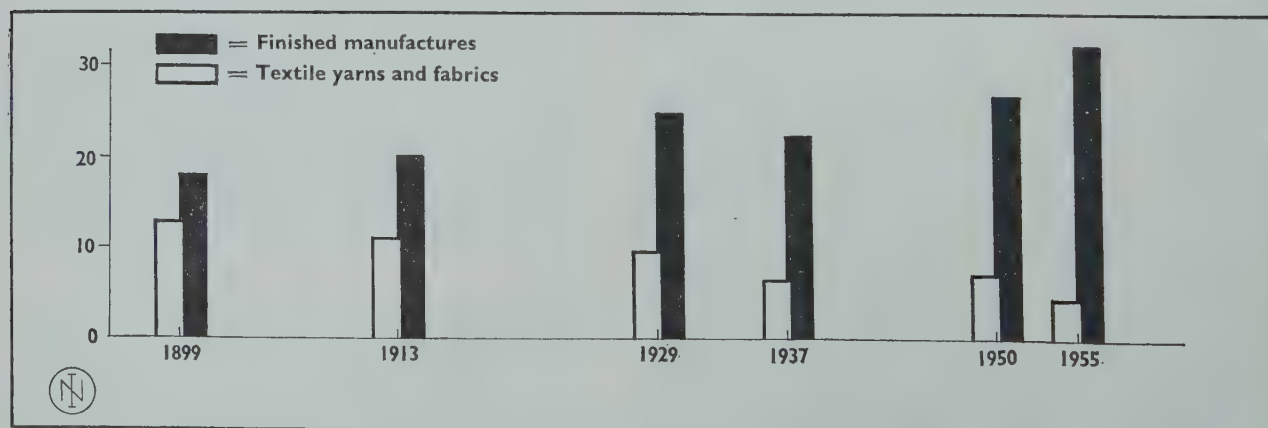
Source: *British Society of Motor Manufacturers and Traders Year Books*, OEEC Foreign Trade Statistics and national statistics.

(a) Home supplies equals production plus imports minus exports. The figures are based on numbers of cars. In Belgium, Switzerland and the Netherlands virtually all cars are imported.

(b) The 1938 figure is 3 per cent, and the 1959 figure 4 per cent.

Chart 7. Trade in manufactured goods between industrial countries

(a) Index numbers of volume, 1899 = 100. Ratio scale

(b) Per cent share in total trade between industrial countries^(a)

Source : See footnote (1), page 17.

(a) At current prices.

But the rise in the share of imports in sales in Germany and the United States was, of course, quantitatively much more important than the fall in Sweden and Japan.

The long-term trend

In general, therefore, the interchange of manufactured goods between the industrial nations has been rising rapidly in recent years; nearly all the main industrial nations have been buying an increasing proportion of their manufactured goods abroad. This trend is put into a longer perspective in chart 7. The figures given there are estimates of the volume of trade between the industrial nations in textiles and in finished manufactures; they are for six years—1899, 1913, 1929, 1937, 1950 and 1955.⁽¹⁾ (Comparable figures for Britain are given on page 27).

Between 1899 and 1913, the volume of interchange in finished manufactures was rising, on average, by 4.4½ per cent a year. There was a sharp setback in the period of depression and protection between 1929 and 1937, and then a recovery to the 1929 volume by 1950. Since 1950, the rate of rise—at 12 per cent a year—has been much more rapid than in the earlier period of expansion. The figures of the share of finished manufactures in the value of total

trade between industrial nations tell the same story; this share rose from 18 to 22 per cent between 1899 and 1929; it rose more than this in the five years from 1950 to 1955.

Trade in textiles between the industrial nations has been very much less buoyant. There has been some recovery since 1937; but it still leaves the volume of this flow of trade a fifth lower than it was in 1899. But this fall is, quantitatively, much less important than the rise in the share of finished manufactures. There is a world-wide increase in the interchange of manufactured goods between the industrial nations, and the increase since 1950 appears to be of a rapidity unprecedented in this century.

Import controls and tariffs

The rapid rise in imports of manufactures since the war has not, of course, been simply the result of the free play of market forces; there has been over the period a substantial relaxation of import controls, both in Britain and in most other countries. In 1947 virtually all imports of manufactured goods into Britain were subject to control—that is, they were imported on Government account or under restricted licence. There were substantial relaxations in 1949 and 1950; these were partly reversed in 1951 and, partly as a consequence of this reversal, the volume of imports of manufactured goods fell in 1952. Liberalisation was rapid from 1953 onwards; by 1958 only a seventh of total imports of manufactures

⁽¹⁾ These indices are from a study on 'Trends in World Trade in Manufactured Goods', which is being prepared for publication by A. Maizels of the National Institute.

Table 10. Index of control^(a) and the volume of imports of manufactured goods

Index numbers, 1947 = 100											
	1947	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
All areas											
Index of control	100	68	61	73	65	48	34	24	24	13	6 ^(c)
Volume of imports	100	167	188	148 ^(b)	150 ^(b)	192	225	252	280	296	357
Dollar area											
Index of control	100	99	99	99	92	88	74	69	69	45	8 ^(c)
Volume of imports from United States ^(e)	100	181	153	172 ^(b)	186 ^(b)	143	201	222	216	197	230
Other											
Index of control :											
Sterling area	100	68	62	62	54	14	7	4	4	1	1 ^(c)
Index of control :											
Other countries	100	48	37	62	54	35	21	16	16	11	6 ^{(c)(d)}
Volume of imports :											
Sterling area and other countries ^(e) ..	100	162	230	125	155	250	282	317	360	392	477

Source : Board of Trade. For index of control, see footnote (a) below.

(a) Controlled imports (imports on Government account and private imports under licence) as a percentage of total imports of manufactures (all class D, including semi-manufactures). A more detailed study and an explanation of this index is given in 'A Statistical Summary of the Extent of Import Control in the United Kingdom since the War' by M. F. W. Hemming, C. M. Miles and G. F. Ray, *The Review of Economic Studies*, Vol. XXVI, No. 2, February 1959.

(b) Adjusted to exclude special imports of machine tools for the post-Korean rearmament programme (estimated at £47 million in 1952 and £20 million in 1953), and also to exclude the gifts of aircraft from the Canadian Government in 1953 (£35 million). Without these adjustments, the index numbers would be : total imports, 1952, 185; 1953, 193; dollar area imports, 1952, 257; 1953, 207.

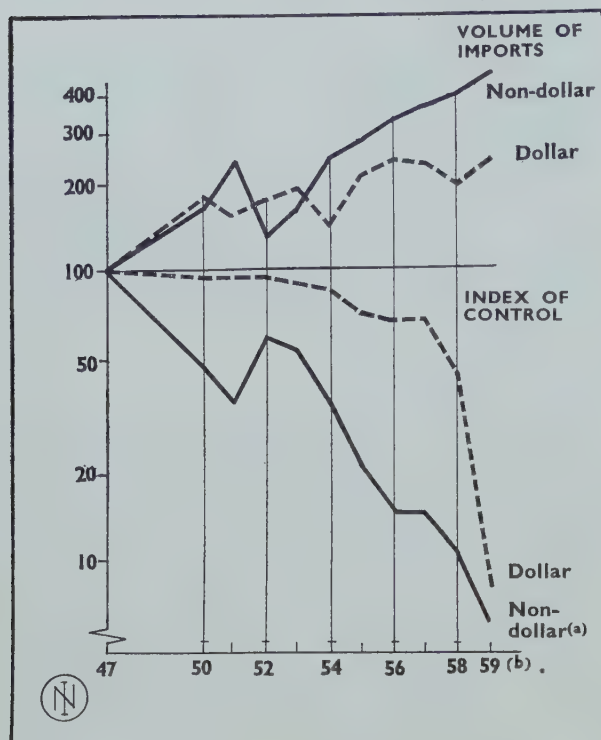
(c) End-January 1960. Some further relaxations in February 1960 will reduce the figure for the index of control for the dollar area and Western Europe.

(d) This is made up of a figure of 2 for Western Europe, 80 for the Sino-Soviet bloc, and 35 for Japan. In trade with Western Europe, the main imports which are still subject to quota are watches, basketware, arms and ammunition and certain jute manufactures. In trade with the dollar area, imports of aircraft and pharmaceutical products are also restricted. For Japan, the list of items still restricted includes, for example, apparel, cameras, clocks, cutlery, electrical goods, glassware, medical instruments, sports goods, and vehicles. Most imports from the Sino-Soviet bloc are still restricted.

(e) Because figures are not available before 1954 for classes D/14, 20, 22 and 23, the years before 1954 are estimated.

Chart 8. The volume of imports of manufactured goods and the removal of controls

Index numbers, 1947 = 100



Source : See table 10.

(a) Excluding sterling area.

(b) January 1960 for index of control.

were controlled, and by the end of January 1960, only a twentieth.

Throughout the period there has been discrimination against the dollar area, and the volume of dollar imports rose more slowly than imports from the rest of the world ; chart 8 and table 10 show how restrictions have been removed, and the volume of imports has risen, area by area. But it is unlikely that the slow rise in dollar imports can be wholly explained by discrimination. For instance, there was no increase in discrimination against the dollar in 1957 ; but from 1957 to 1958 dollar imports of manufactures fell, while imports from other sources rose. Further, the relaxation of controls on imports of dollar machinery in September 1958 has not as yet led to any recovery in the United States share of the market (table 11).

Very few quotas are now left ; but this still leaves Britain with considerable tariff protection. Britain is a comparatively high tariff country—compared, for instance, with Germany, whose industrial structure is in many ways similar. The effect of the tariff is intensified for many consumer goods by purchase

Table 11. The United States share in selected British imports

Per cent

	1947	1950	1954	1956	1958	1959
Machinery ..	73	53	32	34	28	27
of which						
Machine tools	73	63	32	41	31	32
Electrical machinery ..	46	22	17	30	27	28
Road vehicles and aircraft ..	42 ^(a)	51 ^(a)	26	47	22	12
Scientific instruments and precision products ..	..	..	25	23	16	17

Source : Trade and Navigation Accounts, Report on Overseas Trade.

(a) Includes locomotives and ships.

tax (charged on the wholesale value, including customs duty). Table 12 compares the British and German tariffs, for selected items ; the German tariff is the one in force at the beginning of 1957, and the rates on most items have been reduced by 25 per cent since then. Even at the 1957 rates, it is clear that Western Germany is a much less protectionist country than Britain. The table also gives—as a convenient approximation to the general level of tariffs in Scandinavia—the tariffs proposed in 1957 for the Nordic Customs Union ; these tariffs, too, tend to be lower than Britain's, particularly those on machinery.

The pattern of protection will, of course, change rapidly in the next few years. As from the beginning of July of this year, Britain loses 20 per cent of her tariff protection against manufactured goods coming in from the European Free Trade Area, and gains a 20 per cent reduction in their tariffs. On the other hand, the low tariff countries of the European Economic Community—such as Germany and the Benelux group—will soon have to begin raising their tariffs against this country, if no agreement between the two areas is reached. But the executive body of the European Economic Community is proposing that they should put their common tariff into force at a level 20 per cent lower than that originally agreed upon (table 12). In return, they would expect other nations outside the Community to reduce their tariffs on the Community's exports by 20 per cent. These are proposals only ; but it is clearly possible that Britain's tariffs on manufactured goods from a wide range of countries may come down in the next few years.

Table 12. Tariffs on selected finished manufactures : Britain and Western Europe

Per cent

	Britain ^(a)	Germany ^(b)	Common Market ^(c)	Nordic Customs Union ^(d)
Machinery				
Agricultural machinery	15	4-5	9-12	10
Pumps	17½	0	11	10
Packing and bottling machinery	17½	5-8	12-13	10
Cranes	15	6	13-14	10
Textile machinery	15-17½	5-6	11-13	10
Metal-working machine tools	17½	0-6	5-13	10
Durable consumer goods				
Vacuum cleaners	15	10	10	20
Electric shavers	15	6	13	10
Radio and television sets	20	15	21-23	17
Cars, assembled	30	17-21	27-29	12
Motor cycles	22½	15-19	24-26	10-15
Cameras (not cine)	40-50	6	16-18	8
Watches	33½	5-8	11-13	0
Clothing and textiles				
Knitted outer garments	20-33½	13-15	21-22	21-22½
Women's blouses	20-33½	15	21	23-25
Women's shoes	10	11-19	20	18
Woollen yarn	7½	6	7	7
Cotton yarn	7½	5-15	10	0-12
Wool fabrics	17½-22½	12-19	16-20	17-22½
Wool carpets (not hand-made)	20	19-21	22	20
Carpets, cotton-faced	20	19	23	20

Source : *Tariffs and trade in Western Europe*, PEP, 1959.

(a) The ordinary, not the preferential tariff.

(b) Tariffs as at 1 January 1957. Most tariffs were reduced 25 per cent on 20 August 1957.

(c) Arithmetic average of the French, Italian, German, and Benelux tariffs, in force on 1 January 1957.

(d) Nordic Customs Union : rates proposed in 1957.

III. THE COMMODITY PATTERN OF IMPORTS OF MANUFACTURES

Two things are striking about the pattern of British imports of manufactured goods : first, the overwhelming importance of machinery—accounting for two-fifths of total imports of manufactured goods in 1959 ; secondly, the fact that the rise since 1954 has been very widely spread. Only two of the fourteen divisions have failed to show a rise, and all but four of them rose over 1½ times in volume up to 1959. Imports of ships rose over 4½ times ; those of clothing and footwear, 3½ times (table 13 and chart 9).

Machinery

Non-electrical machinery accounts for most of machinery imports—although imports of electrical machinery have risen faster since 1954. But one major adjustment needs to be made to the figure for non-electrical machinery : about a fifth of the total value

in 1959 consisted of aeroplane engines. Most of these are British engines brought back to this country for repair and reconditioning : they are included in the export, not the re-export, figures when they are sent back (table 14).

In general, since 1954, an increasing proportion of the machinery in this country has been imported.⁽¹⁾ This is true of all the types of machinery for which separate figures are available—with the one exception of machine tools. But for a number of items the share of imports is still substantially lower than it was before the war. As a proportion of home supplies, imports of typewriters, office machinery and machine tools are all about half as big as they were in 1938.

⁽¹⁾For most of the items, exports are of course very much larger than imports ; if imports were expressed as a proportion of total home production, not total home supplies, the figures in tables 14, 15, 18, 20 and 22 would be much smaller.

Table 13. The commodity pattern of imports of manufactured goods

Index numbers of volume, 1954 = 100

	1959 Value £mn.	1938	1950	1954	1955	1956	1957	1958	1959
Finished manufactures									
Machinery (non-electrical)	163	118	88	100	122	138	146	151	173
Miscellaneous manufactured goods ..	49	..	95	100	126	149	164	201	275
Clothing, footwear	41	384	100	100	147	190	217	244	360
Electrical machinery	40	68	41	100	133	128	141	162	202
Road vehicles and aircraft	34	51 ^(a)	43	100	110	92	107	97	133
<i>of which</i>									
Road vehicles	25	..	89	100	156	124	183	155	301
Aircraft	8	..	19	100	86	76	67	67	45
Scientific and optical goods, watches ..	24	..	57	100	112	114	139	176	199
Metal manufactures	19	..	53	100	121	144	181	145	182
Ships	14	(a)	28	100	73	232	393	723	453
Sanitary equipment, furniture, etc. ..	7	..	81	100	129	166	208	239	291
Railway vehicles	1	(a)	39	100	30	96	85	58	52
Textiles									
Cotton	44	52	113	100	111	121	152	148	220
Miscellaneous	35	52 ^(b)	81	100	101	101	100	98	118
Man-made	10	(b)	147	100	102	151	137	119	91
Woollen	9	235	289	100	138	150	172	180	168
Total	490	108	87	100	118	131	146	154	186

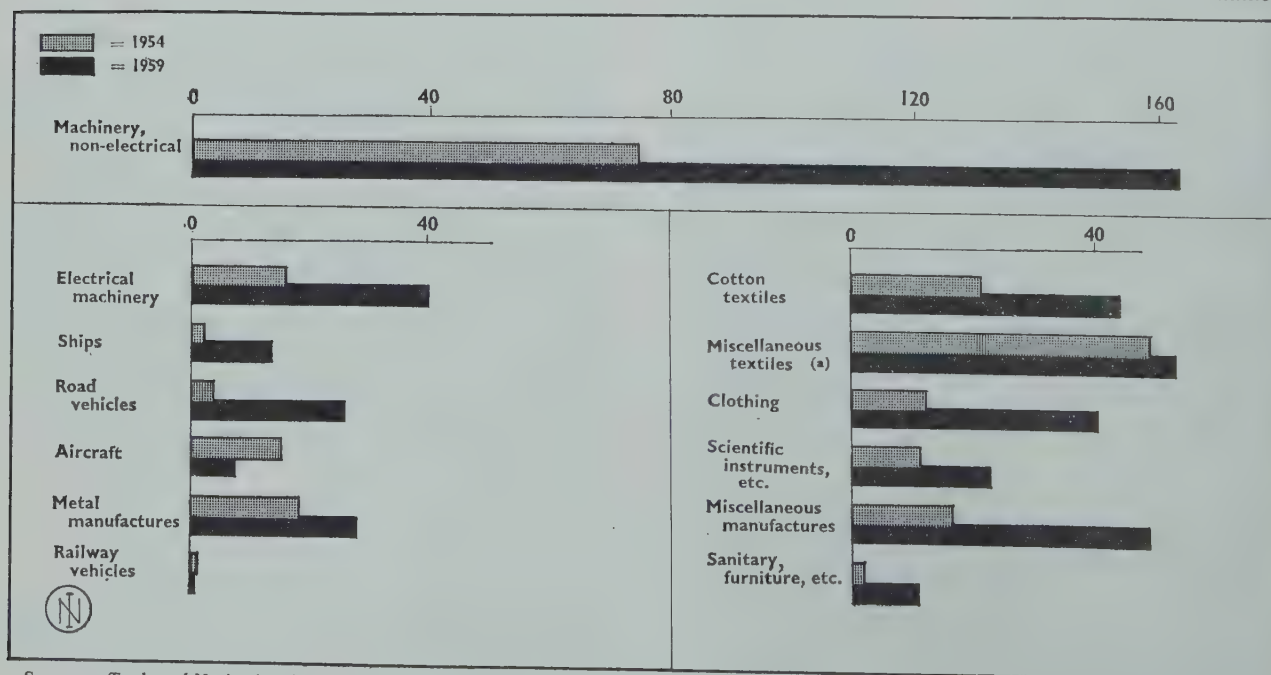
Source : Board of Trade.

(a) Ships and railway vehicles are included with road vehicles in 1938.

(b) Man-made textiles are included in 'miscellaneous' in 1938.

Chart 9. The value of British imports of manufactured goods, 1954 and 1959

£ million



Source : Trade and Navigation Accounts.

Table 14. Imports of machinery : value, and share in home supplies**A. Value of imports**

£ million

	1954	1956	1958	1959
Non-electrical machinery ..	75	110	137	163
<i>of which</i>				
Aeroplane engines ..	6	11	21	35
Agricultural (inc. tractors) ..	4	5	8	9
Office	6	10	13	16
Machine tools (metal-working)	16	27	18	17
Other ^(a)	39	53	71	79
Electrical machinery	16	24	29	40
Power generating ^(b)	2	3	3	5
Communication equipment ^(c) ..	8	11	12	16
Other ^(d)	6	10	14	19

B. The share of imports in home supplies^(e)

Per cent

	1938	1950	1954	1958
Internal combustion engines ^(f) ..	4	4	4	6
Agricultural machinery .. ..	..	6	7	8
Tractors .. .. .	..	4	4	12
Typewriters	69	23	18	32
Accounting machines	52	24	24	28
All other office machines ..	61	5	21	31
Machine tools	44	20	26	23
Mechanical handling equipment ..	..	2	4	6
Excavating, earth-moving machinery .. ..	..	9	13	16
Mining machinery .. .. .	..	2	6	..
Laundering, dry-cleaning machinery .. ..	..	21 ^(g)	1	3
Food and drink machinery .. ..	..	2	7	..
Compressor-exhausters	17	12	16	19
Pumps	25	3	3	..
Textile machinery	21	17	21	..
Packing machinery .. .. .	..	7	17	..

Source : *Trade and Navigation Accounts, Annual Abstract of Statistics.*

(a) Rolling mill machinery, pumps, mechanical handling and earth-moving equipment, mining, woodworking, papermaking and processing, printing, laundering, textile, sewing, air conditioning, food and drink, chemical, and other machinery including ball and roller bearings.

(b) Generators, motors, converters and switches.

(c) Valves, tubes, apparatus for radio, television, radar, telegraphy and telephony.

(d) Welding, cooking, heating, medical and scientific apparatus and all other electric appliances.

(e) Based on value figures. Home supplies equals home production plus imports, minus exports.

(f) Excluding marine engines and engines for aircraft and road vehicles.

(g) 1948.

For most of the items, international specialisation accounts for the existence of imports. In the machine-tool industry, for instance, it is clear that the imported machine is a much more expensive one than the average home-produced machine tool; the average landed import cost of the imported machine in 1958

was £995 per ton, the average value of the home-produced one was £552. In office machinery, there is practically no British competitor for the small electrical or hand-operated calculating machine. But international specialisation does not explain all the changes. The rising share of imports in the home market for typewriters, for instance, can only be explained by the competitive advantage of foreign machines.

Transport equipment

In this field, there have been two major incursions into the British home market—ships and motor-scooters. In both, the share of imports in the market rose from about 2 to about 20 per cent in four years. For other items, the changes have been much smaller. There has been no change in the imports of railway vehicles, or commercial vehicles—both small items; imports of aircraft have fallen (table 15).

Table 15. Imports of transport equipment : value, and share in home supplies**A. Value of imports**

£ million

	1954	1956	1958	1959
Railway vehicles	1.7	1.8	1.3	1.1
Cars	3.6 ^(a)	3.0	4.9	10.3
Motor cycles, scooters, etc. ..	0.6	2.7	4.7	10.2
Commercial vehicles	(a)	0.8	0.8	0.8
Road vehicles, chassis and parts	(a)	3.9	3.2	4.0
Aircraft	15.6	12.7	7.6	7.6
Ships and boats	2.4	6.1	22.2	13.7
Total	27.9	31.4	48.8	49.2

B. Share of imports in home supplies^(b)

Per cent

	1938	1950	1954	1958
Cars (<i>number</i>)	3	—	1	2 ^(c)
Motor cycles, scooters, etc. (<i>value</i>) .. .. .	..	..	3	22
Ships (<i>gross tons</i>) .. ..	..	1	2	18

Source : *Trade and Navigation Accounts, Annual Abstract of Statistics.*

(a) Includes commercial vehicles, chassis and parts.

(b) Home supplies equals home production plus imports minus exports.

(c) The figure for 1959 is 4 per cent.

Imports of cars certainly rose sharply in 1959—quotas were increased in that year; they may well rise further this year, since quota restrictions on European and American cars have now been removed completely. In January-February 1960, 13,500 foreign cars were imported, compared with about 2,500 a

year earlier. In recent years imports have been a much smaller part of the British market than of the German or the American one (table 9); it is possible that—in spite of the high tariff (30 per cent, with purchase tax superimposed)—our import proportion may rise to a figure approaching 8-10 per cent. (It has already risen to 4 per cent.) The tariff cuts on imports from the European Free Trade Area in July this year will not help the main foreign exporters of cars to Britain; they may, however, help Swedish cars to gain some place in the British market.

Motor-scooters. In the last few years, mopeds and scooters have been establishing themselves very rapidly in the British market. In 1958, between them, they outsold traditional motor cycles by about two to one, and in 1959 by more than three to one. One in four of the two-wheeled motor vehicles on British roads is now a scooter.

Imported machines still dominate the scooter market; in spite of a tariff of 22½ per cent, they accounted for some four-fifths of total sales in 1959. British manufacturers' attempts to break into this field have not, as yet, been very successful; Italian manufacturers have established a powerful sales and servicing organisation. British industry has been more successful with mopeds—they supply over half the market; both home output and imports of mopeds quadrupled last year (table 16).

Table 16. Motor cycles, mopeds and scooters : imports and home supplies

		Thousands	
		1958	1959
Motor cycles : production for home market . .		58	84
Motor-scooters : home deliveries .. ..	.. ..	20	29
	imports ^(a)	58	113
Total		78	142
Mopeds : home deliveries .. ..	.. ..	20	79
	imports ^(a)	15	60
Total		35	139

Source : *Monthly Digest of Statistics, Financial Times.*

(a) The division of imports between mopeds and scooters is approximate.

Ships. Ships have only just begun to make their appearance in the import list; in the last three years (1957-59)—a period during which British ship-building output fell—imports have been running at the rate of £15½ million a year: in 1958 they provided about a fifth of the additions to the British merchant fleet. There is no tariff on ships. Western Germany was the main source of imports.

Table 17. Index of construction periods of ships^(a)

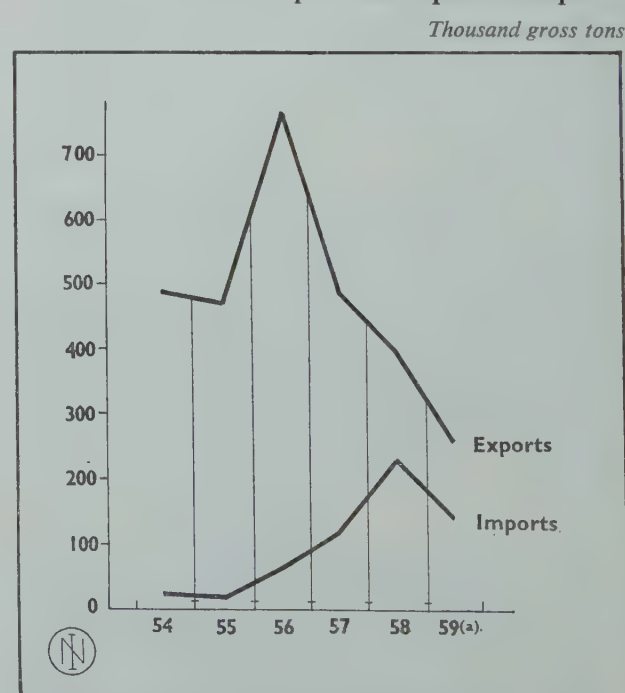
		Months			
	Launched in 1958 ('000 gross tons)	1928	1939	1951	1958
United Kingdom	1,400	13	15	18	20
Western Germany	1,429	10	14	7	8
France	451	20	20	22	14
Italy	551	14	16	28	20
Netherlands ..	556	14	13	17	14
Sweden	760	10	8	9	10
United States ..	732	15	9	25	11
Japan	2,067	8	10	6	9

Source : *Lloyd's Register of Shipping, United Nations Monthly Bulletin of Statistics, March 1959.*

(a) The number of months it would take to complete the tonnage under construction at the beginning of the period, at the rate of completion during the period.

One of the reasons for this switch to foreign yards was probably that they could offer quicker delivery. Table 17 provides an indicator of this. It shows, in various countries, the number of months necessary for the tonnage of completions to equal the tonnage under construction at the beginning of the year. The period in Britain was over twice as long as in Western Germany, both in 1951 and 1958; and the gap widened a little between the two years. In the last two years, the tonnage of British imports of ships has been more than half as big as the tonnage of her exports.

Chart 10. British imports and exports of ships



Source : *Trade and Navigation Accounts, United Kingdom Chamber of Shipping.*

Table 18. Imports of selected items of clothing and footwear

	Unit of quantity	1954			1958		
		Quantity	Share in total imports (per cent)	Price(a) per pair or piece	Quantity	Share in total imports (per cent)	Price(a) per pair or piece
Cotton stockings	'000 doz. prs.	70		s. d. 11	118		s. d. 11
Hong Kong			75	9		95	10
Others			25	1 7		5	2 3
Cotton underwear	'000 doz.	34		3 5	574		1 6
Hong Kong			59	2 3		78	1 5
Others			41	5 1		22	1 11
Japan			27	1 4		16	10
Women's knitted woollen jumpers, cardigans	'000 doz.	22		26 5	70		22 11
Hong Kong			6	9 3		16	9 6
Others			94	27 5		84	25 7
Italy			26	33 0		45	27 8
France			13	31 11		13	23 1
Hungary			4	12 5		8	10 11
Men's and boys' shirts	'000 doz.	542		4 2	529		5 1
Hong Kong			89	3 10		88	4 0
Others			11	6 5		12	12 6
India			7	2 3		1	5 2
Japan			1	3 11		1	7 7
Switzerland			1	24 8		2	24 5
Women's cotton dresses	'000	464		7 5	727		17 5
Hong Kong			77	2 5		59	3 4
Others			23	24 3		41	38 0
Irish Republic			4	16 6		30	38 3
Silk blouses	'000	139		10 0	64		21 10
Hong Kong			85	5 3		45	7 8
Others			15	36 7		55	33 5
France			3	36 7		10	30 7
Switzerland			7	38 2		8	39 1
Italy			1	63 6		23	33 7
Skirts	'000	547		5 8	1,809		4 5
Hong Kong			96	5 3		97	4 0
Others			4	17 9		3	18 0
Leather gloves	'000 doz. prs.	55		9 5	56		8 6
Hong Kong			8	2 0		41	3 2
Others			92	10 0		59	12 3
France			20	19 8		15	19 10
Italy			23	9 9		17	9 8
Hungary			8	8 8		11	11 5
Cotton fabric gloves	'000 doz. prs.	709		2 0	701		1 9
Hong Kong			96	2 0		90	1 7
Others			4	3 10		10	2 8
Woollen gloves	'000 doz. prs.	720		1 11	580		1 11
Hong Kong			94	1 10		85	1 10
Others			6	3 1		15	2 1
Italy			4	2 10		13	1 11
Plimsolls, black or brown	'000 prs.	629		2 8	122		2 7
Hong Kong			94	2 8		99	2 7
Others			6	2 6		1	3 5
Other canvas shoes	'000 prs.	6,938		3 8	9,257		3 2
Hong Kong			96	3 4		99	3 2
Others			4	11 0		1	3 8
Rubber Shoes	'000 prs.	1,631		6 1	2,857		7 7
Hong Kong			48	3 9		31	4 1
Others			52	8 0		69	9 2
Italy			20	10 7		35	9 4
Czechoslovakia			—	—		10	8 1
Wellingtons	'000 prs.	1,286		7 9	1,087		6 9
Hong Kong			93	7 10		82	7 0
Others			7	5 11		18	5 7
Yugoslavia			4	5 2		—	—
Poland			1	5 0		15	5 4
Czechoslovakia			—	—		2	5 7

Source : Annual Statement of Trade, 1954, and figures obtained from Customs and Excise.

(a) C.i.f. price.

Clothing and footwear

The value of these imports has more than trebled in the five years from 1954 to 1959; in the single year 1959 it rose nearly 40 per cent (table 19). But for clothing—unlike most other manufactures—this is essentially a return to pre-war (table 13); imports were severely restricted in the years immediately after the war, and in 1959 were still lower than in 1938. Such figures as there are for the share in home supplies also suggest a return to the pre-war position; for instance, imports provided 47 per cent of home supplies of gloves in 1938, 7 per cent in 1950, and 42 per cent again in 1959.

Table 19. Imports of clothing and footwear ; value, main sources, and share in home supplies

A. Value of imports

£ million

	1954	1956	1958	1959
Total	13.4	23.3	29.8	41.3
<i>of which</i>				
Clothing	8.6	15.3	19.9	26.9
Footwear	4.5	7.3	9.1	13.0
Travel goods, etc. ..	0.3	0.7	0.8	1.4

B. Sources of imports

Per cent of value

	1954	1956	1958	1959
Hong Kong	33	40	33	34
Italy	14	14	21	21
Irish Republic	10	8	9	9

C. Share in home supplies(a)

Per cent

	1938	1950	1954	1958
Stockings and socks ..	12	2	1	2
Pullovers, jumpers, cardigans ..	..	..	—	1
Gloves	47	7	20	42
Footwear	10	4	7	13

Source : *Trade and Navigation Accounts, Annual Abstract of Statistics.*
(a) Based on volume. Home supplies equals home production plus imports minus exports.

The competition from imports is at both ends of the quality scale. Far Eastern countries, Hong Kong in particular, compete at the lower end; in recent years, Hong Kong has been providing a third of our imports of clothing. Some Eastern European countries have also been competing at this end of the scale; Hungary, for instance, has been exporting

cheap jumpers and cardigans, and Czechoslovakia and Poland have been supplying the market for cheap rubber shoes and Wellingtons (table 18).

At the other end of the scale, Western European countries compete in an entirely different price-range: cotton dresses, for instance, have been coming in at 38s. 3d. from the Irish Republic, compared with 3s. 4d. from Hong Kong; silk blouses have been coming in from Switzerland at 39s. 1d., compared with the Hong Kong price of 7s. 8d.; leather gloves from France, 19s. 10d., and from Hong Kong, 3s. 2d. In some instances the cheaper product has cut into the sales of the more expensive one: gloves are an example. But in a number of other instances, the high and low priced products are clearly different products serving different markets; for silk blouses and for women's cotton dresses, for example, imports of the more expensive article have been rising faster than imports of the cheaper one.

Other non-textile manufactures

For both watches and clocks, a large British industry has been built up since the war. Pre-war imports of over 4 million clocks a year have been reduced to under 1 million, and imports of watches have fallen from about 8 million before the war to 1½-2 million; in 1958 about four-fifths of the clocks and over half the watches sold in this country were British-made (table 20).

In recent years, however, imports have been regaining some of their previous share in the market. Since 1950 the proportion of clocks imported has risen from 5 to 18 per cent of home market sales. British-made watches are mostly cheap ones; production of fully-jewelled types is limited. Demand, however, appears to be moving away from cheap watches towards more expensive ones.

The tariff on both watches and clocks is 33½ per cent. Under the European Free Trade Area scheme, this will come down to 26½ per cent on 1st July; Swiss products will become more competitive. Further, quotas on watches worth over £5 were removed at the beginning of the year, and quotas on cheaper watches will be progressively increased.

Imports have also been increasing their share of the market for cameras. Home production of cheaper cameras is substantial; but German imports still dominate the market for high-class cameras—in spite of a 50 per cent tariff with purchase tax of 30 per cent superimposed. Here too demand appears to be moving away from cheaper models towards more expensive ones; between 1956 and 1958, the number of British cameras produced fell over 30 per cent, and the number imported went up nearly 80 per cent (table 21).

Table 20. Imports of other non-textile manufactures : value and share in home supplies**A. Value of imports**

	£ million			
	1954	1956	1958	1959
Watches	2.3	2.3	2.4	2.2
Cameras ^(b)	1.0	1.5	2.3	3.3
Clocks	0.6	0.7	0.7	0.8
Portable power tools	0.5	0.5	0.5	0.5
Cutlery	0.3	0.4	0.6	0.9
Metal furniture	0.1	0.1	0.3	0.6 ^(a)
Radio sets, radiograms	0.1	0.4	0.2	0.4
Books, newspapers, etc.	4.3	6.6	7.0	8.6
Works of art	3.0	4.6	7.3	11.0 ^(a)
Other	2.4	2.1	3.7	8.8
Toys	1.4	1.9	2.7	3.8
Musical instruments and records	1.2	2.2	4.8	7.0
Matches	1.2	1.5	1.8	1.9
Buttons	1.0	1.1	0.8	0.8
Sports requisites	0.7	0.8	0.8	0.7
Curios	0.7	1.0	1.0	1.9 ^(a)
Plastic manufactures	0.5	1.1	1.9	2.2
Brooms, brushes	0.5	0.6	0.9	1.2
Stationery	0.5	0.7	0.9	0.9
Smokers' ware	0.3	0.3	0.3	0.4

B. Share in home supplies^(c)

	Per cent			
	1938	1950	1954	1958
Portable power tools ^(d) .. .. .	..	4	5	..
Cutlery ^(d) .. .. .	..	1	5	7
Metal furniture ^(d) .. .. .	..	..	—	1
Radio sets and radio-grams ^(e) .. .. .	..	..	1	1
Watches ^(d)	80-100 ^(f)	62	39	47
Clocks ^(e) .. .. .	..	5	18	18
Cameras ^(d) .. .. .	..	..	30 ^{(f)(g)}	45 ^(f)
Brooms and brushes ^(d) .. .. .	..	2	2	2
Toys ^(d)	30-50 ^(f)	6	8	12

(a) Not completely comparable with previous years.

(b) Including cinematograph cameras.

(c) Home supplies equals home production plus imports minus exports.

(d) Based on value.

(e) Based on number.

(f) Approximate estimate.

(g) 1956.

Table 21. Home production and imports of cameras

	Unit	1956	1958
Home production			
Number	'000	1,302	882
Average price ^(a)	£	1.5	1.9
Imports			
Number	'000	164	292
Average price ^(b)	£	4.3	4.6

Source : Trade and Navigation Accounts, Annual Abstract of Statistics.

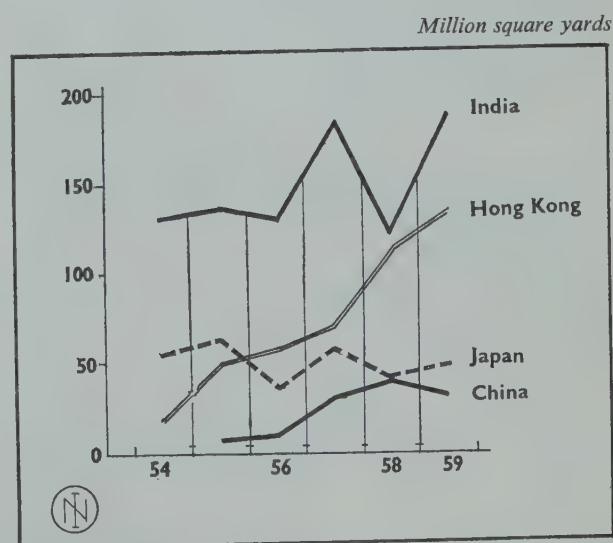
(a) Excluding purchase tax. (b) Excluding purchase tax and import duty.

Among the other miscellaneous manufactures, the increase in imports of musical instruments and records stands out. Imports of books have also risen considerably. A large proportion of imported works of art is subsequently re-exported. The share of imported toys in the home market has declined since 1950, but is still much smaller than it was before the war. In 1958, about a tenth of the toys sold in Britain were imported; in 1938 the fraction was between a third and a half.

Textile manufactures (excluding clothing)

The pattern of imports of these manufactures has been changing rapidly. Cotton fabrics are easily the biggest item; they are also the item which has risen most rapidly since 1954—they doubled in value between 1954 and 1959, and stood at £40 million in 1959. In all, imports of cotton fabrics now amount to about a quarter of the volume of home supplies (table 22).

Grey unbleached cotton cloth accounts for about two-thirds of the total value of imported fabrics, and for about four-fifths of the yardage; some of this cloth is, of course, exported again after being processed in this country.⁽¹⁾ From 1954 to 1958 Hong Kong increased her share of the market, at India's expense; in 1959, India recovered a little of the share she had lost (chart 11). There are now voluntary agreements with both countries, fixing ceilings for their exports of cotton piece-goods; Hong Kong's exports are cut back more than India's. The agreement with Hong Kong has been in force

Chart 11. British imports of grey unbleached cotton cloth

Source : Trade and Navigation Accounts.

⁽¹⁾ Estimates made by the Cotton Board for 1957 suggested that about 20 per cent of the cloth from India and Pakistan, and about 15 per cent of the cloth from Hong Kong, was imported for re-export.

Table 22. Imports of textile manufactures (excluding clothing) : value, main sources, and share in home supplies

A. Value of imports

£ million

	1954	1956	1958	1959
Cotton fabrics	19.3	22.4	29.2	40.0
<i>of which</i>				
Grey unbleached cloth ..	13.3	15.7	20.4	24.8
Other	6.0	6.7	8.8	15.2
Cotton yarns	2.3	3.4	2.9	4.0
Wool yarns and fabrics ..	6.3	8.7	10.8	9.3
Man-made yarns and fabrics	12.6	11.1	12.6	10.0
Other textile manufactures ..	30.2	30.0	29.4	34.5
<i>of which</i>				
Jute yarn, fabrics and bags	9.1	7.4	6.5	7.6
Wool carpets	3.8	4.5	4.6	5.3
Other carpets	4.9	5.7	4.5	4.5
Smallwares, embroidery, etc.	2.7	4.3	4.9	4.7
Cotton towels	0.3	1.3	1.3	2.1
Total	70.8	75.5	85.1	97.8

B. Source of imports

Per cent of value

	1954	1956	1958	1959
Far East	42	42	44	43
<i>of which</i>				
India	33	25	22	22
Hong Kong	3	9	13	12
Belgium	12	12	11	12
Italy	10	13	11	10
France	9	8	7	7

C. Shares in home supplies^(a)

Per cent

	1938	1950	1954	1958
Cotton woven fabrics ..	2	16	15	25
Cotton yarns	—	2	1	1
Man-made yarns	1	2	1	2
Woollen and worsted yarns ..	5	8	3	6
Jute yarn .. .. .	..	5	4	1
Jute fabrics .. .. .	..	41	47	35
Carpets, woollen	12	14	5	5

Source : *Trade and Navigation Accounts, Annual Abstract of Statistics.*

(a) Based on volume. Home supplies equals production plus imports less exports.

since 1 February 1959, and imposes a ceiling of 118 million square yards. The agreements with India and Pakistan only came into force at the beginning of this year ; they fix ceilings of 175 million square yards for India and 38 million square yards for Pakistan.

Grey unbleached cloth, however, accounts for only just over half of the value of the increase in imports of cotton fabrics between 1954 and 1959 ; imports of other fabrics—mainly from Western Europe—have more than doubled in value. These tend to be relatively expensive cloths ; whereas unbleached cotton cloth in 1959 came in at 1s. 1d. square yard, other fabrics came in at 4s. 0d. a square yard—which compared with 2s. 7d., the average export price of British cotton cloth.

Imports of wool yarns and fabrics have risen comparatively little, and imports of man-made yarns and fabrics have fallen. Among other textile manufactures, there has been a seven-fold increase in the value of imports of cotton towels, mainly cheap products from India and Hong Kong. Imports of smallwares and embroidery have also risen fast: the imports of embroidery are at both ends of the price scale—cheap embroidery from Hong Kong and expensive embroidery from Switzerland. Imports of wool carpets—though higher in 1959 than 1954—are still substantially smaller than before the war ; then they supplied about 12 per cent of home sales—now the figure is only 5 per cent. About two-thirds of the total quantity of carpets imported in 1957 came from India, at an import price of about 30 shillings a square yard ; most of the rest consisted of more expensive carpets from the Middle East, at an import price of about £5 a square yard.

IV. CONCLUSIONS

The reasons for imports

Imports of manufactured goods come in because they are, in the broadest sense of the word, competitive with British products. Competitiveness embraces a multiplicity of characteristics : price, quality, design, the unavailability of home-produced goods, delivery dates, and so on ; these characteristics shade into one another, and it is difficult to isolate those which make any particular product competitive.

Textiles, clothing and shoes from Hong Kong and India compete on price ; so also do some of the imports from Eastern Europe (table 19). Home-produced goods are much more expensive.

A large part of our imports of machinery (which is easily the biggest item in our imports of manufactured goods) consists of types which are not made in this country. This is certainly so with machine tools, for example, and with earth-moving equipment. It would be uneconomic for an economy the size of Britain's to manufacture every possible variety of machine.

There are also examples of traditional international specialisation, such as watches and cameras. Britain

and a number of other countries have attempted to develop home industries for these products; in Britain this attempt has been successful with the less expensive watches and clocks, but not with the more expensive ones. Imports still dominate the higher quality market, in spite of high tariffs; and there has been a tendency recently (table 21) for the market for expensive models to grow faster than the market for cheap ones.

Motor-scooters are an example of a new product in which one country—Italy—has so far managed to stay ahead; in spite of the tariff, no British machine has seriously challenged Italian pre-eminence in this field.

Shipowners have been placing orders with foreign yards, partly because prices were lower and partly because delivery dates were better. Better design may be one of the reasons for the rising share of typewriters in the British market.

Finally—in fashion articles in particular—the imported article simply widens the area of choice: it may not be demonstrably cheaper or of better quality—but some consumers will like it simply because it is different.

The likely future trend

Some of the recent rise in imports of manufactured goods may simply be the once-and-for-all effect of the removal of quantitative controls. It is not easy to establish this, one way or the other, from the figures. The big relaxation in controls—for non-dollar countries—was from 1953 to 1955; if there was a once-and-for-all effect from the relaxations, one might expect to see the rise in imports of manufactures from that area tailing off after 1957. There has, however, been no tailing off: imports have been rising as fast as ever. But it may be that, for a number of products, it takes a year or two for the relaxation of

restrictions to have an effect: agencies have to be established, arrangements made for servicing, and so on.

But even if there is some once-and-for-all effect, it still seems likely that imports of manufactured goods will continue to rise faster than national income. This has been the recent experience in countries such as the United States, Belgium and Switzerland (table 6), where it cannot be explained by the removal of quotas. Further, there is the certainty that tariffs and quotas will shortly be lowered on some manufactured goods—those of the other members of the European Free Trade Area; this will certainly bring in some additional imports of manufactures—cutlery from Sweden and more watches from Switzerland, for example; and there is the possibility that, in some arrangement with the European Economic Community, tariffs may be lowered on imports from a much wider range of countries. British tariffs are at the moment very little lower than they were in 1938.

A large part of the import bill for manufactured goods is for machinery and transport equipment; the proportion of imports to total expenditure in this sector is relatively high (table 5). Total demand for machinery and transport equipment—home-produced and imported together—has risen much faster than other elements of national expenditure; since 1938, demand for machinery and transport equipment has doubled in real terms, while the real national product has risen little over a third. It is largely because of this that the ratio of imports of manufactured goods to the national income is higher than it was before the war. It is reasonable to suppose that the demand for machinery and transport equipment will continue to rise faster than other sectors of demand; and, so long as it does so, imports of manufactured goods are likely to rise in relation to national output.

Table 23. Trade between Britain and other industrial countries in finished manufactures^(a)

Index numbers of volume, 1899 = 100

	1899	1913	1929	1937	1950	1955	1959 ^(b)
Britain-United States							
Imports	100	135	245	190	95	115	130
Exports	100	115	190	120	220	315	900
Britain-Western Europe^(c)							
Imports	100	130	120	80	35	75	135
Exports	100	135	125	90	310	335	360
Britain-all industrial countries^(d)							
Imports	100	130	150	120	45	85	145
Exports	100	140	140	90	255	275	420

Source: See footnote (1), page 17. The index numbers have been rounded to the nearest 5.

(a) The figures for Britain's imports from 1899 to 1955 are based on the exports of other industrial countries to Britain. They are not, therefore, identical with the volume figures of imports used elsewhere in this article.

(b) Approximate figures only, derived from the Trade and Navigation Accounts.

(c) Industrial countries only: Belgium-Luxembourg, France, Western Germany, Italy, Netherlands, Sweden and Switzerland.

(d) Western European industrial countries, Canada and Japan.

Trade in manufactured goods with other industrial countries

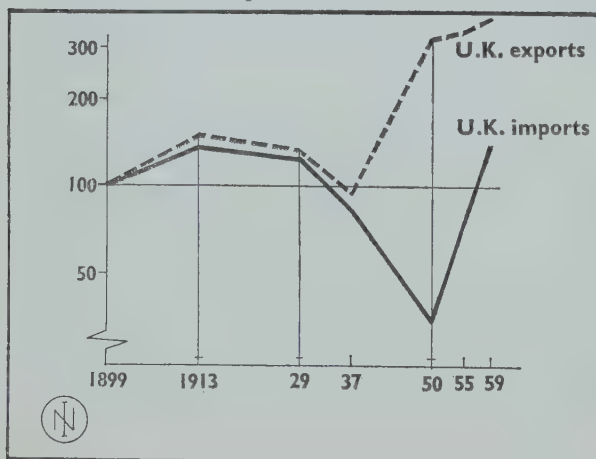
The rise in British imports of manufactured goods is part of a general increase in the interchange of manufactures between industrial countries; so long as the traffic is not one-way—so long, that is, as other industrial countries' demand for our manufactures rises as fast as our demand for their manufactures—there is no particular reason to be disturbed by the trend. How far, in fact, has this been so?

Chart 12 and table 23 show the position in the long-run—since the turn of the century. Certainly in the long run, the balance of trade in finished manufactures has moved in Britain's favour, in trade with both the United States and Western Europe. With Western Europe, imports and exports rose together up to 1929; but between 1929 and 1937 imports fell away faster and, since the war, exports of finished manufactures have risen to over three times the 1929

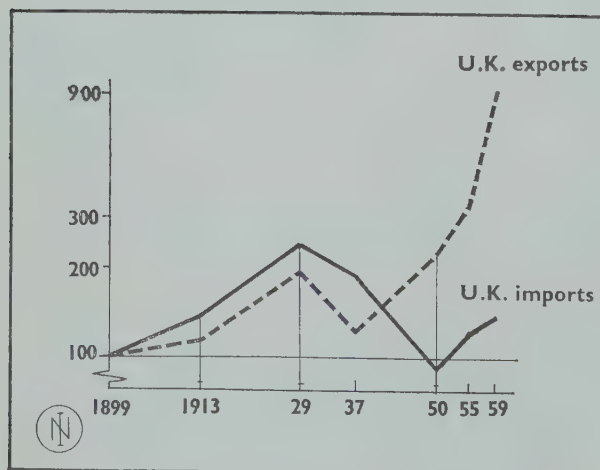
Chart 12. British trade in finished manufactures with other industrial countries, 1899-1959

Index numbers, 1899 = 100. Ratio scale

A. With Western Europe



B. With the United States

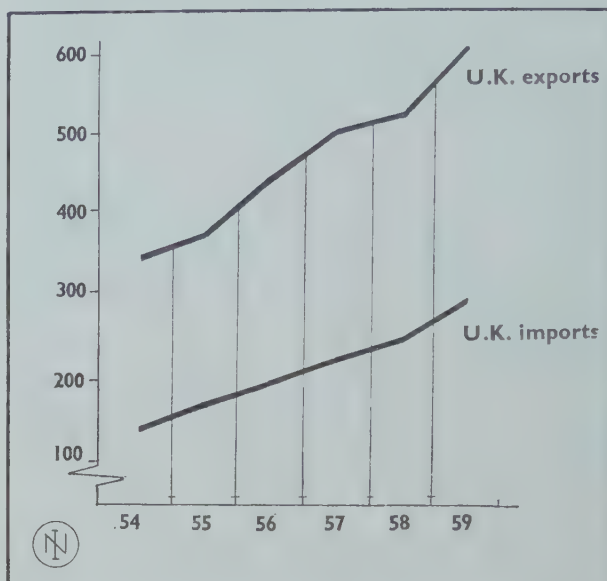


Source : See footnote (1), page 17.

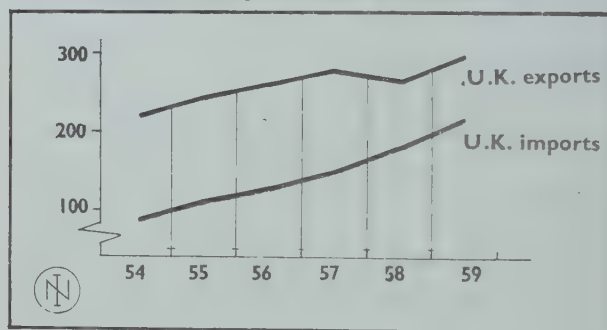
Chart 13. British trade in finished manufactures with other industrial countries, 1954-1959

£ million

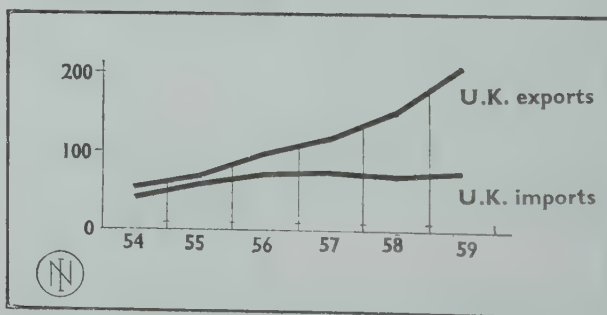
A. With all industrial countries



B. With Western European industrial countries^(a)



C. With the United States



Source : Trade and Navigation Accounts.

(a) See footnote (c) to table 23.

volume, while imports of them are only about 25 per cent above 1929.

In trade in finished manufactures with the United States, there has been a much bigger change in Britain's favour. The balance moved against Britain from 1899 to 1937; but after the war there was a complete change. Imports from the United States are still less than half as big as they were in 1929; exports are over four times bigger.

There has, therefore, been a substantial improvement in the balance of Britain's trade in manufactured goods with the manufacturing countries since the turn of the century. This improvement, however, is not entirely due to increased competitiveness ; part of it must be due to Britain's abandonment of free trade. Whereas before 1930 she was less restrictionist in her trade in manufactured goods than other countries, since the war she has been more so—particularly in her trade with North America. It was, of course, essential for Britain to improve her general balance of trade after the war, since she had lost a large part of her pre-war invisible earnings.

Chart 13 shows the short-term picture since 1954. Britain's balance with Western European industrial nations, in trade in finished manufactures, has been worsening, and her balance with North America has

been improving. Taking the two areas together, the balance has improved a little : the success of our export effort in the United States has been more than sufficient to offset the large increase in imports of finished manufactures from Western Europe.

This is not a judgment of the adequacy of Britain's total export effort, of course ; it may be argued that Britain needed to improve her position more than this. Further, Britain's trade in manufactured goods with other industrial countries is not a large part of her total trade. But it remains true that, in judging the recent rise in British imports of manufactures, this rise must be seen as part of a world-wide increase in the interchange of manufactured goods between industrial countries generally ; and, so far, Britain's balance of trade appears to have gained from this development.

Errata

Economic Review no. 7, January 1960. Page 13, table 7. Home supplies of cloth, cotton and man-made, 1959. For 79 read 86.

CALENDAR OF ECONOMIC EVENTS, 1955-1959⁽¹⁾

All events refer to the United Kingdom, unless otherwise stated

1955

- | | | | | | | | | | |
|--|--|--|------|---|-------|---|-----|---------------|-------|
| <p>Jan. 5 Court of Inquiry published report on railway wages.</p> <p>7 Threatened railway strike called off.</p> <p>8 Pay increase granted to railwaymen ranging from 6s. (unskilled) to 9s. (skilled).</p> <p>15 OEEC agreement to remove 10 per cent of remaining quotas by 30 June 1955, and to raise import quotas from 75 to 90 per cent by 30 September 1955.</p> <p>21 Minor purchase tax changes—on furs, etc.—reducing total yield about £½ million.</p> <p>25 Railway Modernisation Plan (£1,240 million) announced.</p> <p>26 Scheme agreed for the introduction of equal pay into the non-industrial civil service.</p> <p>27 Bank Rate raised from 3 per cent to 3½ per cent.</p> <p>Feb. 3 Announcement of expanded road programme.</p> <p>9 USSR : resignation of Mr. Malenkov.</p> <p>10 USA : merger of AFL (American Federation of Labour) and CIO (Congress of Industrial Organisations) agreed.</p> <p>16 Publication of 'A programme for nuclear power' (Cmd. 9389).</p> <p>18 Decision to develop H-bomb announced in Defence White Paper.</p> <p>23 Publication of development plan for steel : 'Development of the Iron and Steel Industry, 1953-1958'.</p> <p>24 Bank Rate raised from 3½ per cent to 4½ per cent.</p> <p>25 Hire purchase controls reintroduced : minimum deposit of 15 per cent, maximum repayment time of two years. Bank and Capital Issues Committee asked to limit finance for hire purchase and credit sale.</p> <p>25 Exchange Equalisation Fund allowed to intervene in the market for transferable sterling.</p> <p>Mar. 1 Public Works Loan Board rates raised : under 5 years, 3½ per cent ; 5-15 years, 3¾ per cent ; 15 years and over, 4 per cent.</p> <p>1 Federation of Rhodesia and Nyasaland decides to proceed with Kariba scheme.</p> <p>10 Wage increase : 6½-7 per cent to engineers.</p> | <p>Mar. 16 Wage increase : 7-8 per cent to miners.</p> <p>26 Printing strike : London dailies stop publication. (Ends 21 April.)</p> <p>Apr. 1 Australia : import restrictions, to cut £A160 million in full year.</p> <p>6 Mr. Churchill succeeded by Sir Anthony Eden as Prime Minister.</p> <p>15 New York Federal Reserve Bank Rate raised from 1½ per cent to 1¾ per cent.</p> <p>19 Budget : <i>Estimated full year effect (£mn)</i></p> <table border="0" style="margin-left: 40px;"> <tr> <td>Reduction of 6d. in standard rate and 3d. in reduced rates</td> <td style="text-align: right;">-116</td> </tr> <tr> <td>Other income tax adjustments : increase in single allowance, married allowance, child allowance, income limit for small income relief, etc. . .</td> <td style="text-align: right;">- 36½</td> </tr> <tr> <td>Reduction of purchase tax on textiles other than woollens from 50 per cent to 25 per cent</td> <td style="text-align: right;">- 3</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-155½</td> </tr> </table> <p>21 Printing strike ends : London dailies start publication. (Began 26 March.)</p> <p>25 Retirement pensions : increase from 32s. 6d. to 40s. 0d. for single persons, and from 54s. to 65s. for married couples.</p> <p>May 4 Purchase tax : abolition on textiles other than woollens (already reduced in Budget to 25 per cent).</p> <p>13 Monopolies and Restrictive Practices Commission publish report on Collective Discrimination (Cmd. 9504).</p> <p>24 National dock strike of National Amalgamated Stevedores and Dockers : about 20,000 out of 50,000 dockers on strike. (Ends 5 July.)</p> <p>26 General election : Conservatives returned with overall majority increased from 17 to 59.</p> <p>29 Partial railway strike begins : Associated Society of Locomotive Engineers and Firemen, not National Union of Railwaymen, on strike. (Ends 15 June.)</p> <p>June 1 European Economic Community : at Messina, inter-Governmental Committee (Spaak Committee) set up to report on possible Customs Union.</p> | Reduction of 6d. in standard rate and 3d. in reduced rates | -116 | Other income tax adjustments : increase in single allowance, married allowance, child allowance, income limit for small income relief, etc. . . | - 36½ | Reduction of purchase tax on textiles other than woollens from 50 per cent to 25 per cent | - 3 | Total | -155½ |
| Reduction of 6d. in standard rate and 3d. in reduced rates | -116 | | | | | | | | |
| Other income tax adjustments : increase in single allowance, married allowance, child allowance, income limit for small income relief, etc. . . | - 36½ | | | | | | | | |
| Reduction of purchase tax on textiles other than woollens from 50 per cent to 25 per cent | - 3 | | | | | | | | |
| Total | -155½ | | | | | | | | |

⁽¹⁾ In the next issue, a set of tables will be published giving, for example, changes in Bank Rate, Public Works Loan Board rates, pensions, national insurance contributions, hire purchase restrictions, and purchase tax.

- June** 5 Rail freights raised $7\frac{1}{2}$ per cent.
 6 Increase in national insurance contributions of 2s. for adults : 1s. from employed person and 1s. from employer.
 8 Final report of Royal Commission on Taxation (*Cmd.* 9474).
 15 Rail strike ends. (Began 29 May.)
 30 Committee of London clearing bankers said banks would have to continue stringent attitude to advances, in accordance with Government's policy.
- July** 5 Dock strike ends. (Began 24 May.)
 6 Public Works Loan Board rates raised : under 5 years, $3\frac{3}{4}$ per cent ; 5-15 years, $4\frac{1}{4}$ per cent ; 15 years and over, $4\frac{1}{4}$ per cent.
 18 Coal prices raised 18 per cent.
 26 Steel prices raised 5 per cent.
 26 Hire purchase : down payment raised from 15 per cent to $33\frac{1}{3}$ per cent on most articles except furniture.
 27 Chancellor asks for 'positive and significant' reduction in bank advances ; asks for restraint in capital investment by local authorities, and announces capital investment cuts by nationalised industries.
 28 Building Societies Association recommends increase in minimum rate for mortgages from $4\frac{1}{2}$ per cent to 5 per cent, to take effect by this date.
- Aug.** 2 Pakistan devalues rupee, from 2s. $1\frac{1}{2}$ d. to 1s. 6d.
 4 New York Federal Reserve Bank Rate raised from $1\frac{3}{4}$ per cent to 2 per cent.
 4 Western Germany : Bank Rate raised from 3 per cent to $3\frac{1}{2}$ per cent.
 13 Public Works Loan Board rates raised : under 5 years, $4\frac{1}{8}$ per cent ; 5-15 years, $4\frac{1}{2}$ per cent ; 15 years and over, $4\frac{1}{2}$ per cent.
- Sept.** 6 Public Works Loan Board rates raised : under 5 years, $4\frac{1}{2}$ per cent ; 5-15 years, 5 per cent ; 15 years and over, 5 per cent.
- Sept.** 9 New York Federal Reserve Bank Rate raised from 2 per cent to $2\frac{1}{4}$ per cent.
 14 Chancellor states categorically that no change will be made in the exchange rate.
 24 Commercial television begins.
- Oct.** 1 Australia : import cuts, to reduce imports £A80 million in a full year.
 26 Britain signs articles of agreement of International Finance Corporation.
 27 Budget : *Estimated full year effect (£mn.)*
 Profits tax : increase in rate on distributed profits from $22\frac{1}{2}$ per cent to $27\frac{1}{2}$ per cent .. + 38
 .. (+10 in 1956/57)
 Surtax : adjustment for Lloyd's underwriters — $\frac{1}{2}$
 Purchase tax rates raised : 25 per cent rate raised to 30 per cent ; 50 per cent rate raised to 60 per cent ; 75 per cent rate raised to 90 per cent + 75
 Total + $112\frac{1}{2}$
- 27 Purchase tax : 'D' scheme abolished.
 27 Announcement of prospective abolition of housing subsidies.
- Nov.** 15 Building Societies Association recommends increase in minimum rate for mortgages from 5 per cent to $5\frac{1}{4}$ per cent, to take effect by this date.
 17 Report of Royal Commission on Pay and Conditions of Employment in the Civil Service (*Cmd.* 9613).
 18 New York Federal Reserve Bank Rate raised from $2\frac{1}{4}$ per cent to $2\frac{1}{2}$ per cent.
- Dec.** 14 Mr. Attlee resigns as leader of the Labour party : Mr. Gaitskell elected.
 17 Egypt : British and American support for Aswan dam announced.
 20 Chancellor of the Exchequer : Mr. Butler resigns, and is succeeded by Mr. Macmillan.

1956

- Jan.** 6 Government lift ban on short-term borrowing (other than from Public Works Loan Board) by local authorities.
 13 Public Works Loan Board rates raised : under 5 years, $5\frac{1}{2}$ per cent ; 5-15 years, $5\frac{3}{8}$ per cent ; 15 years and over, $5\frac{1}{4}$ per cent.
 21 Railway workers accept 7 per cent wage increase.
- Jan.** 23 Australia : nation-wide dock strike begins. (Ends 15 February.)
 26 Guillebaud Committee's report on the National Health Service published (*Cmd.* 9663).
- Feb.** 10 India : Second Five-year Plan published (1956-61).

- Feb. 15** Printing strike : most London periodicals stop publication. (Ends 27 March.)
- 16** Bank Rate raised from $4\frac{1}{2}$ per cent to $5\frac{1}{2}$ per cent.
- 17** Miners accept 8 per cent wage increase.
- 18** Hire purchase : down payments increased—15 per cent rate to 20 per cent, and $33\frac{1}{3}$ per cent rate to 50 per cent. 50 per cent deposit introduced for certain capital goods. Restrictions on credit sale agreements and rental agreements. Investment allowance suspended : initial allowances reintroduced. Nationalised industries' and Government investment programmes reduced by £50 million and £20 million. Local authority projects curtailed. Bread and milk subsidies to be reduced, by £38 million.
- 18** Engineers reject 7 per cent wage increase.
- Mar. 1** Engineers accept 8 per cent wage increase.
- 7** Western Germany : Bank Rate raised from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent.
- 14** Capital Issues Committee : exception limit reduced from £50,000 to £10,000.
- 20** Rail freight charges raised 5 per cent.
- 23** 'Economic Implications of Full Employment' published (*Cmd.* 9725).
- 24** Public Works Loan Board rates raised : under 5 years, $5\frac{5}{8}$ per cent ; 5-15 years, $5\frac{1}{2}$ per cent ; 15 years and over, $5\frac{1}{2}$ per cent.
- 27** Printing strike ends. (Began 15 February.)
- Apr. 13** New York Federal Reserve Bank Rate raised from $2\frac{1}{2}$ per cent to $2\frac{3}{4}$ per cent.
- 17** Budget : *Estimated full year effect (£mn.)*
- | | |
|--|------------|
| 'Savings package' : exemption of £15 of Savings Bank interest ; relief for premiums on retirement annuities .. | — 53½ |
| Profits tax : on distributed profits, increase of $2\frac{1}{2}$ per cent to 30 per cent ; undistributed profits, increase of $\frac{1}{2}$ per cent to 3 per cent | + 30 |
| Stamp duty reduction on property transfers | — 6½ |
| Tobacco : 2d. a packet on cigarettes | + 28 |
| Total | <u>— 2</u> |
- Family allowances increased, £5 million.
Remainder of bread subsidy removed, £12 million.
Introduction of premium bonds announced.
- 24** 'Investing in Coal'—a revise of 'Plan for Coal' (1950)—published.
- May 7** Steel prices increased 5 per cent.
- 7** Notification of Vacancies Order revoked.
- 9** Building Societies Association recommends increase in minimum rate for mortgages from $5\frac{1}{4}$ per cent to $5\frac{1}{2}$ per cent, to take effect by this date.
- 10** Mr. Cousins elected general secretary of Transport and General Workers Union.
- 19** Western Germany : Bank Rate raised from $4\frac{1}{2}$ per cent to $5\frac{1}{2}$ per cent.
- 29** European Economic Community : the Foreign Ministers of the six Governments accepted the inter-Governmental Committee's Report (see 1 June 1955).
- June 1** Coal prices increased 8 per cent.
- 1** Reduction in certain import tariffs—for instance, motor vehicles, iron and steel, paper : an average reduction of 15 per cent (*Cmd.* 9779).
- 15** Trinidad Oil Company sold to Texas Oil for £63 million (*Cmd.* 9790).
- 19** Central Electricity Authority pegs prices to March 1957.
- 21** Coal Board pegs prices for 12 months.
- 27** Gas Board pegs prices to March 1957 ; rail freights and fares also pegged.
- 27** Cuts in expenditure announced : £50½ million cut in defence spending, and £13 million in civil spending.
- 27** Australia : import restrictions, to cut £A40 million in a full year.
- July 1** International Tin Agreement comes into force.
- 2** United States : steel strike. (Ends 31 July.)
- 22** Import controls on paper, board, and paper-making materials abolished.
- 23** Building Societies Association recommends increase in minimum rate for mortgages from $5\frac{1}{2}$ per cent to 6 per cent, to take effect by this date.
- 24** New York Federal Reserve Bank Rate raised from $2\frac{3}{4}$ per cent to 3 per cent.
- 26** Egypt seizes Suez Canal.
- 31** United States : steel strike ends. (Began 2 July.)
- Aug. 2** Restrictive Trade Practices Act 1956 becomes law.
- 24** New York Federal Reserve Bank Rate raised from $2\frac{3}{4}$ per cent to 3 per cent.
- Sept. 6** Western Germany : Bank Rate reduced from $5\frac{1}{2}$ to 5 per cent.
- 29** Bread subsidy ends.
- Oct. 3** British outline plan for a European Free Trade Area announced.
- 17** Calder Hall : nuclear power station formally opened.

- Oct. 26** Railways : Government plan announced for loans of £250 million during period of modernisation ('Proposals for the Railways', *Cmd.* 9880).
- 29** Israeli forces attack Egypt.
- 31** Ultimatum to Egypt.
- Nov. 1** Premium bonds on sale.
- 3** Suez Canal blocked.
- 5** Iraq Petroleum Company pipeline blown up in Syria, cutting off Iraq-Mediterranean flow of oil.
- 6** United States : Eisenhower re-elected President.
- 7** Suez cease-fire agreed.
- 13** United Kingdom-Australian trade agreement (to replace that of 1932) ; a small reduction in Australian preferences.
- 28** Long-term plan for farming published (*Cmnd.* 23).
- Dec. 5** Petrol and oil : price increase of 1s. 5d. a gallon—1s. tax, and 5d. to oil companies and distributors.
- 11** £201 million drawn on International Monetary Fund, and stand-by credit arranged of £264 million.
- 15** Steel prices raised 6 per cent.
- 17** Petrol and diesel oil rationing introduced. (Ends 14 May 1957.)
- 21** Hire purchase ; down payment on cars lowered from 50 per cent to 20 per cent.
- 22** Loan negotiated of £179 million from Export-Import Bank ; not drawn until October 1957.
- 31** Interest on United States and Canadian loan (£37 million) paid into special account, and paid back into reserves in April 1957.
- 31** Control of tinplate, terneplate and black-plate ended.

1957

- Jan. 1** Australia : import relaxations worth £A30 million a year.
- 9** London and Tilbury dock strike. (Ends 24 January.)
- 11** Western Germany : Bank Rate reduced from 5 per cent to 4½ per cent.
- 13** Mr. Macmillan succeeds Sir Anthony Eden as Prime Minister. Mr. Thorneycroft becomes Chancellor of the Exchequer.
- 15** OEEC announce oil allocation scheme for Western Europe with effect from 1 February.
- 15** Egypt nationalises British and French banks and insurance companies.
- 24** London and Tilbury dock strike ends. (Began 9 January.)
- Feb. 7** Government views on European Free Trade Area announced (*Cmnd.* 72).
- 7** Bank Rate reduced from 5½ per cent to 5 per cent.
- 7** India arranges to borrow \$200 million from International Monetary Fund.
- Mar. 3** Agreement reached on German contribution of £50 million towards cost of maintaining British forces in Germany, with £75 million deposit with Bank of England.
- 4** Extensions to nuclear power programme announced.
- 7** Suez Canal re-opened for small ships up to 500 tons.
- Mar. 11** Oil flow resumed in Iraq oil pipe-line to Banias (Syria).
- 14** Iraq oil flow resumed to Tripoli (Lebanon).
- 16** Strike of 210,000 shipyard workers begins following rejection of 10 per cent pay claim. (Ends 3 April.)
- 20** National Union of Railwaymen rejects 3 per cent award of Staff National Tribunal.
- 22** British Transport Commission reaches agreement with National Union of Railwaymen on 5 per cent pay increase.
- 22** Selective 'snowball' strike begins in engineering industry and is gradually extended. (Ends 3 April.)
- 25** European Economic Community : treaty signed in Rome, establishing the Community.
- 25** London and Tilbury dock strike. (Ends 8 April.)
- 31** End of rationing scheme for diesel oil. (Introduced 17 December 1956.)
- Apr. 1** Price of milk for children and expectant mothers increased, and price of school meals increased.
- 3** Shipyard and engineering workers return to work, following appointment of Court of Inquiry. (Began 16 and 22 March.)
- 8** London and Tilbury dock strike ends. (Began 25 March.)

Apr. 9	Budget :	Estimated full year effect (£mn.)	May 28	Trade agreement with New Zealand, including a 10-year guarantee not to restrict imports of New Zealand produce.
	Extension of earned income relief at two-ninths from £2,000 to £4,000 and at one-ninth up to £10,000	— 24	30	Britain relaxes controls on trade with China, aligning them with those on exports to the Soviet bloc, following failure to reach agreement in the NATO committee on China trade.
	Increase in child allowance to £125 for children over 11 and £150 for children over 16	— 17		
	Increase in age relief for income	— 4		
	Surtax adjustment	— 10		
	Special tax treatment for companies operating abroad	— 35		
	Increase in investment allowance for ships from 20 per cent to 40 per cent	— 12		
	(—7 in 1958/59)			
	Emergency duty of 1s. per gallon on petrol removed	— 10	June 4	Foreign travel allowance extended to the dollar area.
	Entertainments duty abolished for all sports and living theatre and reduced for cinemas	— 12	11	Shipyard pay agreement reached on same lines as engineering settlement, with the exception that restrictive practices are to be discussed later at special conferences.
	Purchase tax halved to 15 per cent on domestic kitchen and tableware, cutlery, lino, carpets, and some furniture	— 24	17	France : Government temporarily suspends trade liberalisation measures agreed by OEEC.
	Increase in £1 on television licences	+ 8	25	Coal prices increased by 8 per cent.
	Total	—140		
9	Mr. Thorneycroft announces setting up of Committee on the Working of the Monetary System (Radcliffe Committee).		July 5	Control imposed on acquisition of foreign securities by British residents : the closing of the Kuwait ' gap '.
10	Suez Canal open for ships of maximum draft.		5	Western Germany : European Economic Community treaty ratified.
17	Basic petrol ration increased by 50 per cent.		6	Rent Act comes into force.
			9	France : European Economic Community treaty ratified.
May 2	Court of Inquiry recommends unconditional rise of 5 per cent for engineering and shipbuilding workers or alternatively 6½ per cent with certain conditions.		12	Public Works Loan Board rates raised : under 5 years, 5½ per cent ; 5-15 years, 6 per cent ; 15 years and over, 5½ per cent.
2	5 per cent increase in standard rate for miners agreed.		19	Strike of 100,000 provincial busmen begins. (Ends 29 July.)
9	Suez Canal Users' Association decides to leave it to member states to decide whether and when to use the Canal again.		22	Expanded road programme announced, costing Government £240 million over period 1958-62.
13	Mr. Macmillan announces that British ships will use the Suez canal.		25	Iron and Steel Board's Development Plan for 1958-62 published, ' Development in the Iron and Steel Industry. Special Report, 1957 '.
14	Petrol rationing ended. (Introduced 17 December 1956.)		29	Provincial busmen's strike ends. (Began 19 July.)
20	Hire purchase : minimum deposit for cars raised from 20 per cent to 33½ per cent, and minimum deposit for machinery reduced from 50 per cent to 33½ per cent.		30	Italy : European Economic Community treaty ratified.
23	Engineering pay agreement reached for 6½ per cent increase, conditional on no further claims for 12 months, and co-operation in removal of restrictive practices.		Aug. 1	Railway freight charges increased by 10 per cent. Coal prices increased by 3 per cent.
			7	Western Germany : most tariffs reduced by 10 per cent.
			11	France : Government announce measures amounting to a 20 per cent devaluation, including a 20 per cent export subsidy and import tax.
			12	Government announces appointment of Council on Prices, Productivity and Incomes, with Lord Cohen as chairman.
			23	New York Federal Reserve Bank Rate raised from 3 per cent to 3½ per cent.

- Sept. 2** Increase of 10d. a week (for men) and 8d. a week (for women) in National Health element of national insurance contribution.
- 19** Western Germany : Bank Rate reduced from $4\frac{1}{2}$ per cent to 4 per cent.
- 19** Bank Rate raised from 5 per cent to 7 per cent. Public sector capital spending to be held at £1,500 million, and bank advances at £2,000 million. Capital Issues Committee instructed to be more restrictive.
- 24** Mr. Thorneycroft informs International Monetary Fund meeting that Government intend to maintain \$2.80 rate for sterling.
- 27** Public Works Loan Board rate raised : under 5 years, $7\frac{1}{4}$ per cent ; 5-15 years, $6\frac{3}{4}$ per cent ; 15 years or over, $6\frac{3}{4}$ per cent.
- Oct. 4** Netherlands : European Economic Community treaty ratified.
- Oct. 16** OEEC Ministerial discussions begin on Free Trade Area plan.
- 18** Agreement reached by South American producers to stabilise coffee prices and control exports.
- 29** Mr. Thorneycroft announces details of cuts in public investment programmes.
- 31** £89 million drawn on Export-Import Bank line of credit.
- Nov. 14** Tribunal set up to investigate alleged Bank Rate leakage.
- 15** New York Federal Reserve Bank Rate reduced from $3\frac{1}{2}$ per cent to 3 per cent.
- 19** Belgium : European Economic Community treaty ratified.
- 25** London busmen's pay claim rejected without counter-offer.
- Dec. 12** Railway pay and hours claims rejected by British Transport Commission.

1958

- Jan. 1** New Zealand : import licensing applied to all imports : annual reduction of £50 million.
- 1** European Common Market and Euratom formally established ; Common Market to operate from 1 January 1959.
- 6** Mr. Heathcoat Amory succeeds Mr. Thorneycroft as Chancellor of the Exchequer ; Mr. Thorneycroft resigned on disagreement over cutting of Government expenditure.
- 17** Western Germany : Bank Rate reduced from 4 per cent to $3\frac{1}{2}$ per cent.
- 21** Bank Rate Tribunal reports that there was no leakage of information (*Cmnd.* 350).
- 24** New York Federal Reserve Bank Rate reduced from 3 per cent to $2\frac{3}{4}$ per cent.
- 26** Retirement pensions increased from 40s. to 50s. for single persons, and from 65s. to 80s. for married couples.
- Feb. 3** National insurance contributions raised by 3s. 11d. for men (2s. employee and 1s. 11d. employer), and 3s. 2d. for women (1s. 8d. employee and 1s. 6d. employer).
- 21** Council on Prices, Productivity and Incomes (Cohen Council) : first report.
- 25** Public Works Loan Board rates lowered : under 5 years, $6\frac{1}{2}$ per cent ; 5-15 years, $6\frac{1}{2}$ per cent ; 15 years and over, $6\frac{1}{4}$ per cent.
- Mar. 5** National Coal Board announces that no further coal imports are being authorised.
- 7** New York Federal Reserve Bank Rate reduced from $2\frac{3}{4}$ per cent to $2\frac{1}{4}$ per cent.
- 13** Industrial Court recommends a rise of 8s. 6d. a week for Central London busmen. This was rejected on 25 March and a strike began at midnight 4 May and ended on 21 June.
- Mar. 20** Bank Rate reduced from 7 per cent to 6 per cent.
- 31** Steel prices cut by between 1 per cent and 3 per cent—first reduction for 19 years.
- Apr. 11** Railway Staff Tribunal rejects National Union of Railwaymen's pay claim.
- 15** Budget : *Estimated full year effect (£mn.)*
- | | |
|---|-------------------|
| Income tax : extension of age exemption limits and of income limit for age relief .. | — 5 |
| Relaxation of Schedule E expenses rule | — 1 |
| Restriction of relief for loans when certain dividends are received | + 2 |
| Increase of initial allowances, on plant from 20 per cent to 25 per cent ; on building from 10 per cent to $12\frac{1}{2}$ per cent (see June 17) | — 23 |
| | (—16 in 1959/60) |
| Introduction of flat rate of profits tax at 10 per cent .. | — 16 |
| | (—10 in 1959/60) |
| Estate duty : extension of quick relief | — 1 |
| Reduction in stamp duties on property transfers | — 6 |
| Purchase tax : 90 per cent, 60 per cent, and 10 per cent rates abolished ; some goods put on lower rates | — 41 |
| Entertainments duty : reduction in cinema duty | — $14\frac{1}{2}$ |
| Heavy wines : reduction in duty | — 3 |
| Total | <u>—108½</u> |

- Apr. 18** New York Federal Reserve Bank Rate reduced from $2\frac{1}{4}$ per cent to $1\frac{3}{4}$ per cent.
- May 5** London bus strike begins. (Ends 21 June.)
- 22** Bank rate reduced from 6 per cent to $5\frac{1}{2}$ per cent.
- 22** London and Tilbury dock strike : about 9,000 men involved. (Ends 25 June.)
- 23** Support costs agreement between Britain and Germany. Germany to increase deposits on arms purchases in London by £50 million, to pay Britain £36 million over 3 years for joint research and to repay 3 instalments of post-war debts to Britain, totalling £22 $\frac{1}{2}$ million.
- June 1** General De Gaulle becomes Prime Minister of France.
- 17** Initial allowances to be 30 per cent, not 25 per cent, on plant, and 15 per cent, not 12 $\frac{1}{2}$ per cent, on buildings.
- 19** Bank Rate reduced from $5\frac{1}{2}$ per cent to 5 per cent.
- 21** London bus strike ends after 47 days out. (Began 5 May.) Busmen to get 8s. 6d. a week extra, the Industrial Court's recommendation.
- 25** London and Tilbury dock strike ends. (Began 22 May.)
- 27** Western Germany : Bank Rate reduced from $3\frac{1}{2}$ per cent to 3 per cent.
- July 3** Ceiling on total bank advances to be abolished. Proposals for special deposits announced.
Capital Issues Committee controls relaxed. Companies allowed to borrow up to £50,000 (previously £10,000) without obtaining C.I.C. consent.
- 7** National Health Service contribution raised by 8d. for men (6d. employee and 2d. employer) and by 6d. for women (4d. employee and 2d. employer).
- 12** Public Works Loan Board rates reduced : under 5 years, $5\frac{3}{4}$ per cent ; 5-15 years, $6\frac{1}{4}$ per cent ; 15 years and over, $6\frac{1}{2}$ per cent.
- 13** £23 million compensation agreement signed between shareholders of the former Suez Canal Company and the United Arab Republic.
- 14** Army coup in Iraq.
- 14** House coal rationing and control of coal prices end.
- 30** Government announces scheme for increasing employment in listed 'high unemployment' areas. Industrial Development Certificates (required for buildings of more than 5,000 sq. ft.) normally to be refused in areas of high employment.
- Aug. 14** Bank Rate reduced from 5 per cent to $4\frac{1}{2}$ per cent.
- 18** Decontrol of imports of chemicals, etc., from dollar area.
- 22** Public Works Loan Board rates reduced : under 5 years, $5\frac{3}{4}$ per cent ; 5-15 years, 6 per cent ; 15 years and over, 6 per cent.
- 25** Council on Prices, Productivity and Incomes (Cohen Council) : second report.
- Sept. 12** New York Federal Reserve Bank Rate increased from $1\frac{3}{4}$ per cent to 2 per cent.
- 15** Commonwealth Trade and Economic Conference opens at Montreal.
- 15** Suez Canal surcharge of 3 per cent (to be paid to United Nations) starts. To continue for three years.
- 16** Hire purchase control relaxed. Control abolished on industrial and agricultural plant, heavy commercial vehicles and certain items of domestic equipment. Deposit on goods remaining under control (television sets, radios, refrigerators, washing machines, etc.) reduced from 50 per cent to $33\frac{1}{3}$ per cent. The minimum deposit for cars remains unchanged at $33\frac{1}{3}$ per cent.
- 17** Existing controls lifted on dollar imports of machinery, canned salmon and newsprint.
- 22** Commonwealth Trade and Economic Conference ends at Montreal. Colonies and independent countries to be offered credits at $\frac{1}{4}$ per cent above credit rate of British Government. Development Boards and similar organisations in Commonwealth to be allowed access to London capital market.
- Oct. 2** Engineers receive 4 per cent wage increase.
- 6** Restrictive Practices Court : first sitting begins.
- 14** Government proposals for contributory national superannuation scheme published (*Cmnd.* 538).
- 16** Relaxation of limits on public investment announced.
- 22** Government announce the end of compulsory arbitration in industrial disputes as from 28 February, 1959.
- 23** Public Works Loan Board rates reduced : under 5 years, $5\frac{1}{2}$ per cent ; 5-15 years, $5\frac{3}{4}$ per cent ; 15-30 years, $5\frac{7}{8}$ per cent ; 30 years and over, $5\frac{3}{4}$ per cent.
- 29** All hire purchase controls removed.

- Nov. 1** Decontrol of iron and steel scrap prices.
- 7** New York Federal Reserve Bank Rate increased from 2 per cent to $2\frac{1}{2}$ per cent.
- 14** France formally rejects proposal for a European Free Trade Area.
- 20** Bank Rate reduced from $4\frac{1}{2}$ per cent to 4 per cent.
- 26** New trade agreement with New Zealand; preference margins on British goods lowered.
- Dec. 3** Introduction of House Purchase and Housing Bill: a scheme to advance up to £100 million to building societies for them to make advances on houses built before 1919.
- Dec. 27** Treasury announces that sterling held by countries outside sterling area to be convertible into dollars at official rates. Other European countries announced similar intentions.
- 28** General De Gaulle announces the devaluation of the franc (by 17.55 per cent), non-resident convertibility and measures to reduce budget deficit. A new 'heavy' franc worth 100 of the existing franc to be the new unit of currency.
- 28** France to abolish quota restrictions from 90 per cent of her 1948 trade with OEEC countries.
- 28** EPU wound up, following announcements by ten countries of non-resident convertibility: European Monetary Agreement comes into operation.

1959

- Jan. 1** European Common Market: first tariff reductions.
- 6** Textile pact with Hong Kong: voluntary limitation of Hong Kong's exports of cotton cloth to Britain to 118 million square yards, as from 1 February.
- 10** Western Germany: Bank Rate reduced from 3 per cent to $2\frac{3}{4}$ per cent.
- 13** Western Germany: full convertibility for mark (except for capital transfers).
- 24** Restrictive Practices Court rules Yarn Spinners' minimum price agreement 'not in public interest'.
- 28** Pensioners' earnings' allowance raised by 10s.
- Apr. 8** Budget:
- | | |
|---|--|
| | <i>Estimated
full year
effect
(£mn.)</i> |
| Income tax: reduction of 9d. in standard rate and 6d. in each of reduced rates | -229 |
| Reintroduction of investment allowance: 20 per cent for plant, 10 per cent for buildings (initial allowances of 30 and 15 per cent reduced to 10 and 5 per cent respectively) | negligible
(-9½ in 1960/61) |
| Stamp duties reduced, etc. | - 6 |
| Beer: 2d. off the pint | - 34½ |
| Liquor licence reduced | - 5½ |
| Purchase tax: | |
| 60 per cent rate down to 50 | |
| 30 per cent rate down to 25 | |
| 15 per cent rate down to 12½ | - 81½ |
| Motor vehicle duties reduced | - 3½ |
| Total | -360 |
- Post-war credits: additional payments in 1959/60 estimated at £71 million.
- 24** Cotton Reorganisation Plan (*Cmnd.* 744).
- 25** St. Lawrence Seaway opens.
- Feb. 1** Textile pact with Hong Kong comes into force (see 6 January).
- 5** Control of capital issues suspended, except for borrowing or share issues of over £50,000 outside Britain.
- 28** Industrial Disputes Tribunal ceases to exist.
- Mar. 1** Anglo-Egyptian financial agreement signed.
- 6** New York Reserve Bank Rate raised from $2\frac{1}{2}$ per cent to 3 per cent.
- 11** Britain agrees to rejoin International Wheat Agreement, as from 1 August.
- 20** International Monetary Fund: Britain repays \$200 million.
- 28** Public Works Loan Board rates reduced: under 5 years, 5 per cent; 5 years or over, $5\frac{3}{4}$ per cent.
- May 16** International Monetary Fund: Britain makes additional subscription of £58 million in gold and £174 million in sterling.
- 22** Industrial Court rejects 4d. an hour increase in wages for building workers.
- 28** Relaxation of controls on dollar imports: increased quotas for cars and fruit, and quotas removed from some consumer goods.

- May 29** New York Federal Reserve Bank Rate raised from 3 per cent to $3\frac{1}{2}$ per cent.
- June 1** Discussion started in Stockholm on forming European Free Trade Area.
- 5 Iraq leaves sterling area.
- 8 Greece applies for association with Common Market.
- 14 Plan drafted for European Free Trade Area.
- 14 House Purchase and Housing Act came into force : building societies can borrow Government money to lend on pre-1919 houses.
- 20 Printing strike started. (Ends 6 August.)
- 30 Reduction in cinema duty of £20 a week per cinema.
- July 1** Building Societies Association recommends reduction in minimum rate for mortgages from 6 per cent to $5\frac{1}{2}$ per cent, to take effect by this date.
- 9 Agreement to abolish 10 per cent tariff on imports of Danish bacon, canned cream, canned pork luncheon meat and Danish blue cheese. Bacon tariff to come down 5 per cent on 1 July 1960 and 5 per cent 1 July 1961 ; other tariffs to be abolished on 1 July 1960.
- 15 United States : steel strike begins.
- 20 Spain joins OEEC, and devalues peseta from 42 to 60 to the dollar.
- 21 European Free Trade Area : broad agreement reached ; tariffs to be cut 20 per cent on 1 July 1960.
- Aug. 1** Australia : import licensing ceiling raised by £A50 million (including substantial relaxations of dollar discrimination).
- 1 International Wheat Agreement : new three-year agreement comes into force, with United Kingdom as member.
- 4 Turkey asks for association with Common Market.
- 6 Printing strike ends ; working week reduced to 42 hours, and $4\frac{1}{2}$ per cent rise in wage rates over a period of three years. (Began 20 June.)
- 7 Council on Prices, Productivity and Incomes (Cohen Council) : third report.
- Aug. 16** Car quotas raised for trade in cars between Britain and France.
- 20 Report of Committee on the Working of the Monetary System (Radcliffe Committee) (Cmnd. 827).
- Sept. 3** Western Germany : Bank Rate increased from $2\frac{3}{4}$ per cent to 3 per cent.
- 11 New York Federal Reserve Bank Rate increased from $3\frac{1}{2}$ per cent to 4 per cent.
- 24 Formal presentation of engineering unions' claims for shorter hours and higher wages.
- Oct. 2** Annual meeting of International Bank : agreement reached to form International Development Association.
- 8 General election : Conservatives returned with overall majority increased from 60 to 102.
- 15 Textile pact with India and Pakistan : voluntary limitation of exports of cotton cloth to Britain to 213 million square yards a year, to come into force 1 January 1960.
- 15 Coal : ' Revised Plan for Coal ' published.
- 20 Travel allowance : limit removed (except for check on sums over £250 to ensure that capital was not being exported).
- 23 Western Germany : Bank Rate raised from 3 per cent to 4 per cent.
- 29 ICI grant 42-hour week to 60,000 manual workers.
- 29 Britain repays \$250 million to Export-Import Bank.
- Nov. 5** Offer of 42-hour week to chemical workers outside ICI.
- 8 United States steel strike : return to work under Presidential order. (Began 15 July.)
- 9 Most remaining import quota restrictions removed, except on imports from Japan and Sino-Soviet bloc.
- 20 European Free Trade Area : text initialled.
- Dec. 1** Australia : import ceiling raised by £A25 million a year.
- 24 France ends import quotas on a wide range of goods.

STATISTICAL APPENDIX

The Home Economy

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Symbols and conventions used

.. = not available.

— = nil or less than half the final digit shown.

billion = thousand millions.

Items may not always add to totals, because of rounding.

A horizontal bar across a column indicates a discontinuity in the series.

Italics are used where NIESR has added estimates to figures published elsewhere—for instance, when an estimated later figure is added.

For explanations and definitions of these tables, see pages 52 to 56.

Table 1. Gross domestic product

Seasonally adjusted

	Final expenditure at market prices						Less Imports of goods and services (c)	Less Adjust-ment to factor cost (d)	Statistical discrepancy	Gross domestic product at factor cost	Output				
	Con- sumers' expenditure (a)	Public authorities' current spending	Gross fixed investment (b)	Value of physical stock change	Exports of goods and services	Total final expenditure					Gross domestic product	Indus- trial production (e)	Agri- culture, etc.	Trans- port, com- muni- cation	Distribu- tion, other services
£ million, 1954 prices, quarterly averages											Index numbers, 1954 = 100				
1948	2,677	592	467	+ 59	656	4,451	738	449	+ 28	3,292	84	79.0	85	86	91
1949	2,735	638	508	+ 9	736	4,626	791	455	+ 46	3,426	87	83.6	91	89	92
1950	2,813	637	533	— 60	842	4,765	802	465	+ 69	3,567	91	88.3	92	91	95
1951	2,772	690	534	+ 141	854	4,991	898	485	+ 46	3,654	93	91.3	94	95	95
1952	2,756	764	536	+ 10	847	4,913	821	469	— 5	3,618	92	89.2	97	96	94
1953	2,869	788	593	+ 33	837	5,120	868	490	— 2	3,760	96	94.3	99	98	97
1954	3,006	785	644	+ 13	899	5,347	903	515	—	3,929	100	100.0	100	100	100
1955	3,111	766	677	+ 79	955	5,588	996	535	+ 25	4,082	104	105.1	98	103	102
1956	3,137	765	710	+ 66	1,010	5,688	1,023	536	— 24	4,105	105	105.6	104	103	102
1957	3,201	738	741	+ 75	1,027	5,782	1,048	543	— 15	4,176	106	107.4	109	103	104
1958	3,274	738	743	+ 28	991	5,774	1,053	563	+ 18	4,176	106	106.2	108	102	105
1957 I	3,178	740	732	+ 115	1,031	5,796	1,056	541	— 34	4,165	106	107	108	102	104
II	3,201	751	739	+ 75	1,029	5,795	1,014	534	— 63	4,184	107	108	108	104	104
III	3,197	737	746	+ 95	1,026	5,801	1,090	547	+ 32	4,196	107	108	109	103	104
IV	3,226	724	745	+ 15	1,023	5,733	1,030	548	+ 10	4,165	106	107	109	103	104
1958 I	3,254	736	754	— 5	988	5,727	1,027	555	+ 35	4,180	106	107	109	101	104
II	3,255	743	742	— 15	965	5,690	1,020	560	+ 51	4,161	106	106	109	102	104
III	3,251	740	741	+ 90	1,019	5,841	1,094	572	— 22	4,153	106	105	108	102	105
IV	3,336	734	736	+ 40	992	5,838	1,072	563	+ 9	4,212	107	106	108	103	106
1959 I	3,313	738	748	— 65	946	5,680	1,070	574	+ 188	4,224	108	108	108	104	106
II	3,418	768	774	+ 75	1,017	6,052	1,112	586	— 28	4,326	110	111	108	106	108
III	3,358	768	783	+ 115	1,038	6,062	1,150	607	+ 68	4,373	111	113	109	106	108
IV	3,443				1,070		1,180			4,460	114	117	109	107	109

For explanations and definitions see page 52.

(a) For details see table 8. (b) For details see table 9. (c) Not seasonally adjusted. (d) Net indirect taxes at 1954 rates. (e) For details see table 2.

Table 2. Production in industry

Seasonally adjusted

	Total industrial production	Construction	Mining	Total manufacturing	Metals, metal-using				Textiles	Chemicals	Other industries	Steel		Passenger cars output	Selected durable consumer goods
					Total	Engineering and electrical	Vehicles	Ship-building				out-put	consumption		
	Index numbers, 1954 = 100											'000 tons	'000	1954-100	
Weights	1,000	120	72	760	374	164	78	22	77	63	295	quarterly rates or averages			
1948	79.0	86.7	90.8	77.3	75.6	69.4	61.4	116.5	85.5	68.0	77.9	3,719	3,353	84	37
1949	83.6	90.7	93.8	82.2	80.0	75.9	71.2	106.1	92.1	70.2	83.5	3,888	3,550	103	44
1950	88.3	90.8	94.8	87.8	85.1	84.5	76.4	93.5	100.1	79.7	88.6	4,073	3,710	131	67
1951	91.3	87.3	98.0	91.6	90.3	90.5	79.9	96.2	99.8	83.7	91.8	3,910	3,772	119	79
1952	89.2	90.0	99.3	88.2	91.3	92.4	79.5	99.2	81.9	79.6	87.8	4,104	3,825	112	63
1953	94.3	96.3	98.8	93.7	93.4	93.6	90.4	105.1	97.4	89.1	93.8	4,402	3,915	149	76
1954	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	4,630	4,190	192	100
1955	105.1	100.3	99.0	106.4	109.6	107.4	114.6	108.5	97.5	106.2	104.6	4,948	4,470	224	111
1956	105.6	105.8	99.2	105.9	108.3	107.0	107.2	117.4	96.4	110.6	105.1	5,165	4,617	177	88
1957	107.4	105.5	98.5	108.3	111.4	111.0	114.9	107.9	96.5	115.0	106.4	5,425	4,655	215	105
1958	106.2	105.0	94.3	106.9	110.3	111.5	118.4	108.8	87.1	115.0	107.6	4,892	4,459	263	118
1959	112.2	111.7	92.6	113.7	116.7	118.0	129.6	101.1	92.1	128.7	113.0	5,047	4,464	297	165
1957 I	107	108	101	107	109	110	107	105	98	114	106	5,336	4,640	152	95
II	108	107	100	108	111	111	114	104	98	114	107	5,451	4,507	219	102
III	108	103	97	110	114	114	119	112	97	116	107	5,493	4,750	237	115
IV	107	105	96	108	112	109	120	111	91	116	106	5,418	4,736	253	107
1958 I	107	105	96	108	112	111	120	111	90	114	108	5,394	4,659	274	107
II	106	104	95	106	110	110	118	107	86	114	108	4,992	4,458	267	116
III	105	105	92	106	110	112	116	110	85	114	107	4,695	4,403	257	116
IV	106	107	95	107	109	113	119	107	87	118	108	4,485	4,165	253	131
1959 I	108	110	92	108	110	111	125	107	86	123	110	4,468	4,131	255	140
II	111	109	94	112	115	116	126	101	91	128	112	4,915	4,524	293	173
III	113	114	93	115	117	122	123	100	94	129	114	5,070	4,517	282	172
IV	117	114	91	119	125	123	144	96	97	134	116	5,733	4,693	360	172
Nov.	117		93	119	124	121	143	97	94	133	117	5,721	..	359	
Dec.	117		90	119	126	125	144	95	99	138	115	5,885	..	384	
1960 Jan.	118-9											5,985		368	
February												5,922		356	

For explanations and definitions see page 52.

Table 3. The labour market

Seasonally adjusted

	Employment											Demand for labour			Net over-time per head in manufacturing (b)
	Total civil employ-ees	Agri-culture etc.	Trans-port, com-munica-tion	Distri-bution and other services	Total indus-trial pro-duction	Con-struc-tion	Mining	Total manu-factur-ing	Metals, metal-using	Textiles	Other indus-tries	Unem-ployment	Unfilled vacan-cies	Excess demand (a)	
Index numbers, 1954 = 100												Percentage of employees			Weekly hours
1948	94.4(c)	113.7(c)	103.6(c)	(c)	91.8(c)	98.2(c)	(c)	90.2(c)	90.2(c)	(c)	(c)	1.50	2.30	0.68	..
1949	95.1	109.4	103.5		93.3	98.3		92.0	90.0			1.52	1.95	0.42	..
1950	96.5	111.0	103.1	95.3	95.3	98.4	98.0	94.6	91.8	102.1	95.8	1.53	1.77	0.27	..
1951	97.5	106.4	102.2	95.8	97.3	98.9	98.4	97.0	94.5	103.4	98.0	1.19	2.01	0.69	..
1952	97.4	104.0	102.0	96.4	96.9	97.8	100.6	96.2	96.9	93.8	96.4	1.99	1.34	-0.27	1.0
1953	98.0	101.1	100.7	97.3	97.9	98.6	100.8	97.4	97.1	98.2	97.8	1.64	1.33	-0.04	1.8
1954	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	1.34	1.56	0.29	2.0
1955	101.3	97.8	99.3	100.8	102.2	102.0	99.4	102.6	104.6	96.6	101.7	1.08	1.91	0.73	2.1
1956	102.1	91.6	99.5	102.4	102.9	105.0	99.1	103.1	105.9	94.4	101.9	1.19	1.66	0.46	1.9
1957	102.5	91.2	99.9	103.4	103.0	104.3	100.1	103.1	109.0	93.7	102.0	1.43	1.27	0.01	1.9
1958	101.8	89.5	98.6	104.1	101.5	102.3	98.7	101.7	105.4	87.9	100.9	2.10	0.90	-0.67	1.4
1959	102.4	87.7	96.9	106.2	101.6	102.9	94.5	102.2	105.9	86.5	101.8	2.17	1.02	-0.62	1.9
1958 I	102.1	88.3	99.4	103.6	102.3	102.4	100.1	102.6	106.4	90.6	101.3	1.60	1.09	-0.30	1.7
II	101.8	88.2	98.9	103.9	101.7	101.6	99.0	102.0	105.9	88.8	101.0	2.02	0.92	-0.68	1.2
III	101.7	89.8	98.2	104.3	101.2	102.3	98.1	101.4	105.1	86.7	100.9	2.28	0.82	-0.77	1.2
IV	101.5	91.8	98.0	104.6	100.7	102.8	97.6	100.6	104.3	85.5	100.5	2.49	0.78	-0.92	1.5
1959 I	101.6	87.2	97.6	105.4	100.6	101.8	96.6	100.8	104.4	85.4	100.7	2.32	0.84	-1.03	1.5
II	102.1	87.0	97.2	105.9	101.2	102.9	95.4	101.5	105.1	86.1	101.3	2.21	0.95	-0.76	1.8
III	102.7	87.5	96.6	106.5	102.0	103.3	93.8	102.8	106.4	87.1	102.4	2.14	1.10	-0.41	2.0
IV	103.2	89.0	96.3	107.0	102.6	103.6	92.2	103.6	107.7	87.2	102.9	2.03	1.20	-0.28	2.3
1960 I												1.70	1.30	-0.15	
Nov.	103.3	89.9	96.3	107.2	102.7	103.6	92.2	103.7	107.8	87.5	103.0	2.00	1.20	-0.28	
Dec.	103.1	86.7	96.1	106.8	102.7	103.4	91.9	103.8	108.2	86.7	102.9	1.94	1.24	-0.23	
1960 Jan.	103.2	85.5	96.0	107.0	103.1	103.2	91.4	104.1	108.6	86.5	103.3	1.78	1.26	-0.18	
February												1.73	1.35	-0.18	
March												1.59	1.28	-0.10	

For explanations and definitions see page 53.

(a) NIESR index based on unemployment and vacancies.

(b) not seasonally adjusted.

c) End-June, seasonally adjusted.

Table 4. Unemployment by industry

Percentage of total employees, seasonally adjusted

	Metals, metal-using	Textiles	Con-struc-tion	Mining	Trans-port, services	Other
1948	1.54	0.66	2.64	0.32	1.62	1.27
1949	1.34	0.66	2.90	0.30	1.72	1.28
1950	1.18	0.60	2.83	0.33	1.80	1.37
1951	0.83	0.83	2.05	0.26	1.46	1.15
1952	1.17	8.44	2.83	0.26	1.86	1.79
1953	1.33	1.35	2.86	0.28	1.86	1.46
1954	0.92	0.92	2.50	0.25	1.58	1.23
1955	0.63	1.64	1.76	0.19	1.27	1.01
1956	0.94	1.41	2.01	0.21	1.30	1.09
1957	1.07	1.13	2.83	0.31	1.60	1.29
1958	1.76	3.96	4.00	0.57	2.09	1.82
1959	1.79	2.70	4.63	0.98	2.15	1.89
1957 III	0.88	0.95	2.83	0.32	1.56	1.26
IV	1.01	1.38	2.94	0.36	1.61	1.34
1958 I	1.19	2.33	3.02	0.43	1.77	1.43
II	1.63	3.75	3.86	0.52	2.03	1.76
III	1.90	4.60	4.30	0.61	2.24	1.97
IV	2.31	5.16	4.82	0.72	2.30	2.10
1959 I	2.21	4.37	4.73	0.84	2.16	2.04
II	1.97	2.70	4.50	0.95	2.18	1.90
III	1.56	1.86	4.78	1.04	2.23	1.87
IV	1.42	1.88	4.49	1.10	2.05	1.76
Nov.	1.43	1.89	4.56	1.09	2.03	1.74
Dec.	1.34	1.98	4.18	1.07	2.00	1.69
1960 Jan.	1.20	1.99	3.22	0.89	1.98	1.44
February	1.22	1.90	3.10	0.78	1.91	1.41

For explanations and definitions see page 52.

Table 5. Productivity

Index numbers, 1954 = 100, seasonally adjusted

	Output per person employed in						Output per man-hour worked in manufacturing
	gross domestic product	total industrial production	total manufacturing	metals and metal-using industries	textile industry	mining	
1948	89	86	84	80	91	90	88
1949	92	90	88	84	94	93	92
1950	94	93	92	88	104	98	94
1951	95	94	94	93	102	101	96
1952	95	92	92	94	84	102	93
1953	98	96	96	95	99	101	97
1954	100	100	100	100	100	100	100
1955	103	103	104	108	96	98	103
1956	102	103	103	106	94	97	103
1957	104	104	105	109	94	96	106
1958	104	105	104	108	86	93	107
1959	108	110	110	114	90	90	112
1958 I	104	105	105	110	88	94	106
II	104	104	104	108	85	93	106
III	103	104	103	108	84	91	107
IV	104	106	104	107	86	94	108
1959 I	106	107	106	108	85	91	109
II	108	110	109	113	89	92	112
III	108	111	110	114	92	91	112
IV	110	114	113	121	94	88	115
Nov.		114	113	120	91	90	
Dec.		114	114	122	96	87	
1960 Jan.			115				

For explanations and definitions see page 52.

Table 6. Prices

Index numbers, 1954 = 100

	Capital goods				Export prices	Retail prices	Consumer goods and services								Total final prices
	All assets	Plant, vehicles, etc.	Dwellings	Other building			Total	Food	Drink, tobacco	Housing (inc. rent and rates)	Durable goods	Clothing	All other goods	Services	
1948	78	76	79	81	78	75.7	79.6	67.3	99.2	79.4	84.9	82.2	82.9	79.6	78.1
1949	79	78	80	81	81	77.8	81.2	70.7	98.1	80.9	83.6	85.6	83.6	81.3	80.2
1950	81	81	81	81	85	79.9	83.3	74.6	97.0	83.1	87.0	86.6	85.7	83.8	82.7
1951	90	87	94	91	100	87.6	91.1	83.2	98.3	88.4	99.1	100.4	95.2	90.2	92.7
1952	99	97	104	100	105	95.3	96.5	92.5	99.6	92.5	105.9	100.1	100.4	95.3	98.3
1953	100	100	101	100	101	98.3	98.2	96.2	99.8	97.3	102.2	99.2	99.3	97.9	98.7
1954	100	100	100	100	100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1955	105	104	106	106	102	104.5	103.4	105.9	100.5	103.5	101.4	100.6	103.1	104.0	103.5
1956	111	110	112	111	106	109.7	107.9	109.8	103.9	107.8	108.5	102.5	109.3	110.0	108.8
1957	115	115	113	116	111	113.8	111.0	112.3	106.3	114.9	110.4	104.1	113.0	113.7	112.8
1958	119	120	115	119	110	117.2	114.0	114.1	108.4	128.3	110.2	104.9	114.5	119.0	115.2
1959					109	117.8			106.3	135.1		104.5			
1958 I	118	119	114	118	110	116.2	113.5	112.7	108.0	124.2	111.8	105.3	115.8	118.3	114.7
1958 II	119	120	114	119	110	117.9	114.5	115.7	109.3	127.3	110.7	105.4	114.1	118.4	115.8
1958 III	119	120	116	121	110	116.6	113.6	112.6	108.1	130.1	109.6	104.5	113.5	119.3	114.9
1958 IV	118	119	114	119	109	118.1	114.3	115.5	107.8	131.5	109.7	104.5	114.4	120.0	115.3
1959 I	117	119	112	117	109	118.6	115.2	115.8	108.2	134.4	110.9	104.5	114.9	119.2	116.3
1959 II	117	119	112	117	109	117.5	114.1	115.8	105.6	133.9	108.1	104.2	113.4	119.5	115.5
1959 III	117	119	113	117	108	117.2	114.0	113.7	105.8	135.7	107.5	104.4	114.3	120.3	115.2
1959 IV					110	118.1			106.0	136.3		104.8			
Nov.					111	118.3	115.0	114.7	106.0	136.4	107.3	104.8	118.0	121.4	
Dec.					111	118.5	115.3	115.3	106.0	136.4	107.3	104.8	118.2	121.3	
1960 Jan.					111	118.2	115.0	114.3	106.0	136.6	107.1	104.8	118.3	121.6	
February					111	118.2									

For explanations and definitions see page 53.

Table 7. Wages, profits and other costs

Index numbers, 1954 = 100

	Weekly wage rates	Wage rates by industry						Income from employment ^(a)		Profits of companies and public corporations	All property income		Import prices	Materials used in manufacturing industry	Prices of all manufactured products
		Metals, metal-using	Textiles	Mining	Construction	Agriculture, forestry, fishing	Other industries and services	Total	Per unit of output		Total	Per unit of output			
1948	74.6	73.5	73.5	74.6	72.8	75.1	74.9	66.0	78.8	65.4	70.2	83.8	73	..	..
1949	76.7	76.0	77.0	74.7	74.7	77.8	76.9	70.4	80.7	68.4	73.2	83.9	74	..	..
1950	78.1	76.9	79.4	75.5	76.6	79.0	78.4	74.1	81.6	79.4	81.5	89.8	85	..	..
1951	84.6	83.5	87.1	83.3	83.0	84.5	84.7	82.5	88.7	93.7	90.1	96.9	113	..	..
1952	91.6	91.5	93.0	92.4	90.5	91.7	91.6	88.9	96.5	84.0	85.3	92.6	111	..	..
1953	95.8	95.8	96.7	95.5	95.4	95.9	95.9	93.7	97.9	89.9	91.3	95.4	101	..	..
1954	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100.0	100.0
1955	106.9	106.8	104.9	107.3	106.2	105.6	106.3	109.3	105.2	109.8	107.3	103.3	103	103.0	102.6
1956	115.4	115.5	110.6	117.7	114.2	113.8	114.7	119.2	114.1	113.3	111.7	106.9	105	106.7	107.0
1957	121.2	121.1	114.9	124.1	120.5	119.1	120.6	126.0	118.5	118.5	117.0	110.1	107	107.4	110.4
1958	125.4	125.4	118.5	126.6	125.5	126.4	125.4	130.8	123.0	114.1	118.9	111.9	99	100.8	111.1
1959		129.0	120.6	130.4	128.9	130.6	128.7						98	101.8	111.6
1958 I	123.9	124.3	117.6	125.4	123.7	125.6	123.7	129.6	121.8	107.0	113.8	107.0	99	100.0	110.9
1958 II	124.3	124.4	118.2	125.4	124.5	125.6	124.3	130.2	122.9	115.2	119.0	112.4	99	101.0	111.1
1958 III	125.6	124.9	118.7	125.4	126.8	125.6	126.1	130.8	123.7	111.9	117.4	111.1	98	100.9	111.1
1958 IV	127.7	127.9	119.2	130.2	127.0	128.6	127.5	132.6	123.7	122.1	125.4	117.0	99	101.1	111.5
1959 I	128.2	128.7	120.0	130.3	128.4	130.6	128.0	133.2	123.9	111.2	118.9	110.6	98	101.4	111.8
1959 II	128.5	129.0	120.6	130.4	129.1	130.6	128.4	134.9	122.5	131.6	130.8	118.8	97	101.2	111.3
1959 III	128.8	129.0	120.7	130.4	129.1	130.6	129.0	136.1	122.3	129.1	130.2	117.0	98	101.6	111.4
1959 IV		129.1	121.0	130.4	129.1	130.6	129.5	139.3	122.7				100	102.8	111.7
Nov.	129.2	129.0	121.2	130.4	129.1	130.6	129.4						101	102.7	111.7
Dec.	129.2	129.2	121.2	130.6	129.2	130.7	129.6						100	103.2	111.8
1960 Jan.	129.6	129.3	121.6	130.6	129.2	130.7	129.9						100	103.7	111.8
February													100	103.1	111.8

For explanations and definitions see page 53. (a) Seasonally adjusted, except for 'wage-round' effect.

Table 8. Personal income and expenditure

£ million, quarterly averages, seasonally adjusted

	Dispos- able income (a)	Total personal savings	Con- sumers' expend- iture	Consumers' expenditure											
				Total	Food	Alco- holic drinks	Tobacco	Housing (inc. rent and rates)	Fuel, light	Cloth- ing	Durable goods			All other goods	Services
											Cars, motor cycles	Furni- ture, etc.	Radio, electric, etc.		
at current prices				at 1954 prices											
1948	2,158	28	2,130	2,677	835	201	200	235	109	274	13	56	36	238	482
1949	2,277	57	2,220	2,735	866	194	194	234	108	296	16	68	40	260	459
1950	2,395	51	2,344	2,813	905	198	196	238	113	307	17	77	45	271	446
1951	2,594	67	2,527	2,772	887	204	202	239	117	276	16	74	50	262	445
1952	2,821	162	2,659	2,756	878	202	206	244	115	271	23	67	46	262	442
1953	3,001	185	2,816	2,869	911	205	209	252	117	275	40	77	57	284	442
1954	3,160	154	3,006	3,006	945	204	214	263	122	293	55	87	69	306	448
1955	3,439	223	3,216	3,111	969	215	219	257	124	315	74	90	73	327	448
1956	3,693	307	3,386	3,137	991	218	222	261	129	327	57	86	66	335	446
1957	3,891	338	3,553	3,201	1,006	223	228	263	127	332	63	92	73	347	447
1958	4,076	345	3,731	3,274	1,023	223	232	268	137	330	84	97	79	364	437
1957 I	3,786	326	3,460	3,178	1,004	225	229	263	124	334	41	92	75	337	454
1957 II	3,860	327	3,533	3,201	1,002	224	231	263	124	327	69	93	75	345	448
1957 III	3,913	335	3,578	3,197	999	220	226	264	127	335	73	91	74	349	439
1957 IV	4,003	364	3,639	3,226	1,020	224	227	264	132	331	68	90	69	356	445
1958 I	4,026	332	3,694	3,254	1,020	229	232	267	138	325	79	93	75	358	438
1958 II	4,048	339	3,709	3,255	1,018	220	235	267	140	326	85	94	79	358	433
1958 III	4,078	378	3,700	3,251	1,019	218	232	268	131	328	78	94	76	368	439
1958 IV	4,152	330	3,822	3,336	1,036	224	231	269	138	339	92	107	87	373	440
1959 I	4,177	362	3,815	3,313	1,022	221	231	270	144	335	86	103	88	378	435
1959 II	4,267	388	3,879	3,418	1,046	237	240	269	131	346	108	113	106	387	435
1959 III	4,264	431	3,833	3,358	1,036	238	240	271	126	337	97	108	99	371	435
1959 IV	4,330	395	3,935	3,443	1,071	236	238	272	133	359	120	107	88	384	435

For explanations and definitions see page 53.

(a) Seasonally adjusted, except for 'wage-round' effect.

Table 9. Fixed investment

£ million, 1954 prices, quarterly averages, seasonally adjusted

	Total	Dwellings		Industries and services										By sector	
		Public	Private	Total	By type of asset			By industry group(a)							
					Plant, machinery	Vehicles, ships, aircraft	Buildings, works	Fuel, power	Public services	Transport, communications	Manufacturing	Other industries, services	Public	Private	
1948	467	92	14	361	166	91	104	53	29	44	107	115	119	242	
1949	408	87	17	404	181	97	126	65	35	50	121	120	151	253	
1950	533	86	16	431	202	87	142	70	41	47	140	120	166	265	
1951	534	84	16	434	218	78	138	70	45	43	148	115	186	248	
1952	536	95	24	417	206	70	141	72	44	40	142	109	196	221	
1953	593	113	42	438	209	82	147	81	46	44	137	121	212	226	
1954	644	105	56	483	231	90	162	96	48	47	145	138	219	264	
1955	677	84	60	533	250	104	179	102	49	50	161	161	225	308	
1956	710	77	63	570	256	110	204	97	56	57	183	167	236	334	
1957	741	72	63	606	275	116	215	100	61	67	192	176	252	354	
1958	743	60	67	616	273	122	221	105	66	67	183	186	256	360	
1957 I	732	75	65	592	272	104	216	95	58	63	197	167	244	348	
1957 II	739	73	65	601	274	115	212	96	61	66	196	173	248	353	
1957 III	746	70	60	616	273	127	216	96	65	72	189	185	256	360	
1957 IV	745	68	63	614	280	117	217	113	60	67	185	181	260	354	
1958 I	754	63	62	629	276	130	223	107	63	72	186	191	264	365	
1958 II	742	61	65	616	275	119	222	104	64	69	185	185	258	358	
1958 III	741	59	68	614	272	121	221	104	68	63	184	186	252	362	
1958 IV	736	55	74	607	268	119	220	104	68	66	176	184	252	355	
1959 I	748	59	78	611	263	124	224	107	72	67	164	193	261	350	
1959 II	774	58	81	635	271	137	227	112	70	64	168	211	265	370	
1959 III	783	59	81	643	273	130	240	120	79	74	171	189	284	359	
1959 IV		60	83								164				

For explanations and definitions see page 53.

(a) Excluding legal fees, etc. (which are included in the other columns), of which the industry distribution is not known.

Table 10. Construction orders and work done
£ million, 1954 prices, quarterly averages

		New housing	Other new work		
			Public	Private	
				Industrial	Miscellaneous
		Orders received by contractors			
1957	I	143	90	52	44
	II	116	81	48	46
	III	110	100	44	41
	IV	100	72	43	41
1958	I	107	96	46	42
	II	105	77	39	40
	III	109	67	41	38
	IV	131	79	33	39
1959	I	163	86	47	47
	II	146	90	54	48
	III	148	81	47	47
		Work done by contractors			
1957	I	126	77	60	39
	II	128	83	62	39
	III	118	82	59	40
	IV	118	82	57	42
1958	I	110	79	58	41
	II	116	87	55	43
	III	113	90	57	42
	IV	113	91	56	44
1959	I	118	88	59	44
	II	125	99	60	45
	III	130	99	61	48
	IV	134	98	59	49

For explanations and definitions see page 54.

Table 11. Metal-using industries : orders ; factory building approvals

	Orders on hand in engineering and electrical industries(a)			Metal-working machine tools : net new orders		Shipbuilding : merchant vessels		Factory building approvals(b)
	Total	For export	For home market	For export	For home market	Orders on hand(a)	New orders(c)	Area mn sq. ft.(c)
January 1958 = 100			£mn(c)		'000 gross tons			
1954	97	93	99	4.7	13.9	4,333	159	17.7
1955	106	96	109	4.9	18.8	5,287	582	22.8
1956	104	103	105	5.6	15.3	6,442	619	17.8
1957	101	101	101	5.2	13.6	6,828	420	15.9
1958	89	87	89	4.4	10.6	5,430	124	11.4
1959	90	90	90			4,169	80	14.5
1957 I	..	..	..	7.0	14.4	6,741	..	14.0
II	..	..	..	5.8	13.2	6,952	..	18.2
III	..	..	..	3.7	14.0	6,971	..	16.8
IV	..	..	..	4.2	13.0	6,828	..	15.0
1958 I	100	101	100	4.7	11.4	6,331	..	12.0
II	96	95	96	3.4	11.8	5,970	..	10.4
III	92	92	93	4.0	10.1	5,953	..	11.5
IV	89	87	89	5.4	9.1	5,430	..	11.9
1959 I	87	84	88	4.1	11.2	5,103	55	16.1
II	88	86	88	3.3	16.4	4,734	44	13.7
III	88	87	88	4.8	16.5	4,473	48	12.7
IV	90	90	90			4,169	172	15.7
August	88	87	88	1.1	16.7			
Sept.	88	87	88	7.4	23.2			
October	88	88	88	6.4	17.5			
Nov.	89	89	89	8.8	16.3			
Dec.	90	90	90					
1960 Jan.								

For explanations and definitions see page 54.

(a) At end of period. (b) Great Britain, seasonally adjusted. (c) Quarterly rates or averages.

Table 12. Changes in the volume of stocks

£ million, 1954 prices, quarterly averages

	Total stocks (a)	Manufacturing and distribution						
		Total	Manufacturing				Distribution	
			Total	Materials and fuel	Work in progress	Finished goods	Wholesale	Retail
Value at end 1958(b)	8.1	6.0	4.2	1.7	1.5	1.0	1.0	0.8
1956	+66	+58	+49	+13	+24	+12	+3	+6
1957	+75	+67	+43	+6	+23	+14	+15	+10
1958	+37	+12	+6	-30	+18	+18	+2	+4
1959		+28	+24	+4	+25	-5	-6	+11
1957	I	+200	+215	+105	+33	+27	+45	+50
	II	+85	+75	+50	-30	+50	+30	+5
	III	+80	+50	+35	+26	+32	+15	—
	IV	-65	-75	-25	-5	-22	+2	-5
1958	I	+80	+100	+50	..	..	+20	+30
	II	-5	-25	+5	..	..	-15	-15
	III	+75	+40	-10	..	..	+45	+5
	IV	-40	-65	-20	..	..	-40	-5
1959	I	+20	+15	+10	..	..	-15	+20
	II	+85	+35	+10	..	..	—	+25
	III	+100	+30	+20	..	..	+15	-5
	IV		+35	+55	..	..	-25	+5

For explanations and definitions see page 54.

(a) This series is seasonally adjusted in table 1.

(b) £ billion.

Table 13. Credit

Quarterly averages

	Hire purchase debt			London Clearing Banks	
	Total	Owing to finance houses	Owing to household goods shops	Advances	Liquidity ratio
					per cent
£mn, change in period					
1953	..	..	..	— 10	35.1
1954	..	..	..	+ 48	33.7
1955	..	..	..	— 11	32.5
1956	—21	— 8	—13	+ 15	35.3
1957	+18	+21	— 3	— 8	35.1
1958	+28	+19	+ 9	+ 91	34.0
1959	+75	+50	+25	+167	32.8
1958 I	+ 3	+13	—10	+ 36	35.9
II	+18	+23	— 5	+112	32.8
III	+12	+ 8	+ 4	— 2	33.5
IV	+78	+32	+46	+218	33.8
1959 I	+57	+42	+15	+238	32.7
II	+92	+70	+22	+132	31.4
III	+76	+51	+25	+153	32.9
IV	+72	+35	+38	+146	34.1
October	+69	+39	+30	+201	34.4
Nov.	+72	+36	+36	+108	33.6
Dec.	+78	+30	+48	+129	34.2
1960 Jan.	+48	+39	+ 9	+153	34.3
February				+261	32.1

For explanations and definitions see page 54.

Table 14. U.K. imports and exports and changes in imported stocks

Quarterly averages

Quarterly average:

	Imports				Exports (exc. re-exports)				Adjusted balance of visible trade (a) (b)	Terms of trade import/export	Stock changes of mainly imported commodities				
	Value c.i.f.		Volume		Value f.o.b.		Volume				Total	Total	Food and tobacco	Industrial materials	Fuel
	As recorded	Adjusted (a)	As recorded	Adjusted (a)	As recorded	Adjusted (a)	As recorded	Adjusted (a)							
	£mn.	1954 = 100	£mn.	1954 = 100	£mn.	1954 = 100	Current prices	1954 prices, £mn. c.i.f.							
1950	645	645	89	89	538	538	101	100	- 87	100	-30.3	-33.4	-14.1	-20.1	+ 0.8
1951	970	970	100	100	640	640	100	98	-299	113	+32.0	+19.7	+10.4	+ 2.0	+ 7.3
1952	864	864	92	92	641	641	94	92	-188	106	+20.8	+20.5	+ 2.1	+13.4	+ 5.0
1953	830	830	99	99	639	639	96	94	-165	100	+22.0	+16.9	+ 9.6	+ 3.8	+ 3.5
1954	838	838	100	100	662	671	100	100	-142	100	- 5.0	- 5.0	- 2.1	- 5.7	+ 2.8
1955	965	965	112	112	718	709	107	104	-227	101	+ 2.0	+ 2.0	- 4.5	+ 1.8	+ 4.7
1956	965	974	111	112	785	779	113	111	-159	99	-13.3	-12.1	- 0.6	-10.9	- 0.6
1957	1,011	1,003	115	114	823	821	116	114	-149	96	+25.2	+21.9	+ 5.9	+ 8.0	+ 8.0
1958	937	936	114	114	794	794	111	110	-108	90	- 1.3	- 1.0	- 0.3	- 1.5	+ 0.8
1959	998	999	122	123	831	831	116	114	-135	90	+12.7	+ 7.6	- 1.1	- 0.6	+ 9.3
1958 I	928	923	114	113	813	805	113	111	- 83	90	-27.8	-19.7	+ 2.3	-15.5	- 6.5
1958 II	900	911	110	111	767	793	108	110	- 84	90		-31.5	-20.7	- 4.9	- 5.8
1958 III	938	963	113	114	777	777	109	107	-147	90		+14.2	- 9.3	+17.4	+ 6.1
1958 IV	985	969	121	118	817	799	115	111	-137	90		+33.5	+25.0	- 0.7	+ 9.2
1959 I	941	960	117	121	790	783	110	108	-147	90	- 4.3	+ 4.5	+13.6	- 8.7	- 0.4
1959 II	983	960	123	121	845	831	118	114	- 96	89		-15.7	-33.0	- 6.6	+23.9
1959 III	984	996	119	122	790	833	111	116	-130	90		+13.7	-18.1	+20.1	+11.6
1959 IV	1,085	1,074	130	131	901	879	125	120	-159	90		+28.0	+32.7	- 5.5	+ 0.7
October	1,081	1,062	..	128	918	906	..	125	-114	91	-216	-171	..	..	..
Nov.	1,071	1,107	..	134	895	861	..	117	-216	91					
Dec.	1,116	1,077	..	131	891	873	..	119	-171	90					
1960 Jan.	1,102	1,104	..	133	949	924	..	126	-144	90	-210	..	..	..	..
February	1,093	1,158	..	140	887	921	..	126	-210	90					

For explanations and definitions see page 54.

(a) Adjusted for dock strikes and other statistical disturbances as well as for seasonal movements and for the different number of working days. Exports exclude land-lease silver. (b) Exports and re-exports less imports.

Table 15. Volume of U.K. imports, by commodity

Index numbers(a), 1954 = 100

	Food and beverages	Tobacco	Basic materials					Fuels		Semi-manufactures and manufactures mainly for industrial use				Finished manufactures	
			Total	Textile materials	Wood	Pulp	Ores and scrap	Total	Petroleum and products	Total	Iron and steel	Non-ferrous metals	Textile manufactures	Total	Machinery
Value 1959 £mn.	1,437	85	931	273	142	100	123	468	467	661	40	205	98	392	203
1950	92	97	97	110	77	72	88	65	68	86	139	78	121	74	80
1951	101	113	102	96	120	87	82	86	88	111	150	91	152	76	86
1952	91	71	90	88	83	73	90	83	87	97	352	103	71	107	142
1953	102	104	101	110	101	82	95	90	94	86	198	85	65	115	118
1954	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1955	107	111	106	98	114	118	112	121	107	126	363	109	107	122	124
1956	109	102	102	100	92	113	114	115	112	121	379	101	120	136	137
1957	114	103	106	101	101	112	126	114	115	122	215	110	129	152	145
1958	120	101	94	89	89	111	94	124	129	119	139	114	124	166	153
1959	120	97	100	103	98	120	91	143	151	135	136	121	149	201	178
1957 I	126	64	109	132	64	105	109	102	101	119	222	102	133	156	140
1957 II	111	61	107	104	93	117	124	117	117	118	206	104	126	158	140
1957 III	104	136	106	79	141	112	142	125	127	122	209	112	120	142	141
1957 IV	114	151	103	88	107	115	127	112	114	129	222	123	137	153	159
1958 I	120	51	95	98	57	102	104	114	118	125	194	114	139	160	147
1958 II	119	68	92	92	74	110	106	116	121	113	153	107	108	159	147
1958 III	117	133	90	64	126	113	87	128	134	118	116	124	111	169	150
1958 IV	124	152	97	100	100	118	77	137	144	122	93	110	139	178	167
1959 I	128	42	93	110	59	114	74	134	140	120	96	115	135	166	161
1959 II	121	78	100	109	90	115	76	154	162	131	149	121	135	205	191
1959 III	111	105	101	85	135	114	104	144	151	134	134	121	146	209	171
1959 IV	122	163	107	106	108	137	110	142	150	153	163	128	179	225	188

For explanations and definitions see page 54. (a) Unadjusted.

Table 16. Volume of U.K. exports, by commodity and area

Index numbers, 1954 = 100, seasonally adjusted

	By commodity											By area			
	Food, bever- ages, tobacco	Basic mater- ials, fuels	Manufactures									Sterling area (b)	Other primary pro- ducers	North America	Western Europe
			Total	Metals and engineering					Textiles	Chem- icals	Other manu- factures (a)				
				Total	Metals	Metal goods (a)	Machin- ery	Trans- port equip- ment							
Value 1959 £mn	190	249	2,809	1,918	304	186	857	570	248	293	349	1,374	356	567	911
1950	93	78	106	102	106	101	99	105	125	79	121	94	129	105	94
1951	95	61	105	100	80	103	104	101	126	92	118	101	114	100	90
1952	91	77	96	98	84	97	106	93	94	77	100	91	111	94	89
1953	94	93	96	97	94	105	100	92	103	79	97	94	93	112	96
1954	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1955	106	100	109	110	113	114	110	106	96	116	112	106	102	115	107
1956	115	103	115	118	126	110	117	121	92	127	113	105	113	137	116
1957	124	96	117	121	139	105	120	123	92	137	113	105	120	143	116
1958	120	98	113	118	135	90	114	127	78	134	112	101	114	153	107
1959	121	106	117	121	148	89	118	128	79	156	115	97	110	187	116
1957 III	124	92	118	123	131	101	121	132	92	136	113	107	122	148	114
IV	129	93	116	121	133	101	120	126	85	134	113	105	127	141	111
1958 I	113	97	114	118	126	93	116	126	87	135	113	105	116	147	107
II	121	92	107	112	128	88	109	118	76	127	107	97	112	147	102
III	128	100	116	123	140	85	117	140	77	143	110	104	119	148	112
IV	119	101	114	120	148	94	113	126	74	133	117	98	110	168	107
1959 I	102	106	110	114	135	82	110	124	74	142	110	90	117	167	109
II	119	107	118	121	130	92	118	135	81	156	115	97	109	197	116
III	130	101	118	122	162	86	119	124	79	164	110	97	108	189	119
IV	131	110	123	127	164	96	123	128	82	160	126	103	108	196	123

For explanations and definitions see page 54.

(a) Unadjusted.

(b) Including Iraq.

Table 17. World industrial production

Index numbers, 1953 = 100, seasonally adjusted

	World (a) (b)	U.S.A.	Canada	U.K.	Conti- nental O.E.E.C. (c)	Western Ger- many	France	Italy	Belgium	Sweden	Nether- lands	Austria	Latin America (a)	Japan (a)	U.S.S.R.
1950	84	84	83	94	82	72	89	78	93	95	88	86	91	55	69
1951	91	90	90	98	92	85	99	89	106	100	91	97	96	74	80
1952	93	93	94	94	94	91	98	91	101	98	91	98	98	82	89
1953	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1954	100	93	100	108	109	112	109	109	106	104	110	114	107	108	113
1955	111	104	110	114	121	129	117	119	116	111	118	133	118	117	127
1956	116	107	120	114	130	139	128	128	123	115	123	138	126	144	141
1957	120	107	120	116	138	147	139	138	123	119	126	146	134	167	155
1958	117	100	117	114	142	152	153	143	115	119	126	150	136	169	170
1957 I	120	108	123	115	137	145	141	136	125	118	129	142	127	163	
II	121	108	121	116	139	147	142	138	126	120	127	148	134	172	
III	117	108	120	117	139	146	146	139	118	121	125	146	138	168	
IV	120	104	116	116	141	149	150	138	122	120	123	150	135	165	
1958 I	115	97	117	116	142	151	155	141	119	120	124	153	129	167	
II	115	96	118	114	142	150	154	139	113	120	126	151	135	163	
III	115	101	117	113	142	151	152	142	115	119	127	151	141	166	
IV	123	105	119	115	145	154	152	148	114	120	129	150	140	179	
1959 I	123	108	125	116	145	155	151	153	114	122	133	152	134	190	
II	130	114	128	120	148	159	157	153	118	122	137	152	142	201	
III	124	112	127	122	153	162	160	157	119	122	138	156		213	
IV		112		127	159	169	167	166	125	127	140				
September		111	129	124	154	163	161	162	121	124	142	156		219	
October		110	132	127	156	165	163	163	122	126	141	159		220	
November		110	129	127	160	170	169	167	128	127	140	162		223	
December		117		127	161	172	170	168	125	128	141				
1960 Jan.		120		128		173									

For explanations and definitions see page 54.

(a) World, Latin America and Japan are not seasonally adjusted.

(b) Excludes U.S.S.R., Eastern Europe and China.

(c) Excludes Spain.

Table 18. Trade of industrial countries

\$ billion, quarterly averages

	Total (a)			U.S.A.			Canada			U.K.			Continental O.E.E.C. (a)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1948	8.29	9.15	-0.86	3.17	2.01	+1.16	0.84	0.76	+0.08	1.65	2.09	-0.44	2.57	4.12	-1.54
1949	8.66	9.03	-0.37	3.02	1.88	+1.14	0.77	0.73	+0.04	1.71	2.13	-0.42	3.03	4.06	-1.03
1950	8.43	9.38	-0.95	2.57	2.40	+0.17	0.77	0.80	-0.03	1.58	1.82	-0.24	3.31	4.12	-0.81
1951	11.32	12.77	-1.45	3.76	2.97	+0.79	1.01	1.05	-0.04	1.90	2.73	-0.84	4.31	5.52	-1.20
1952	11.99	12.43	-0.43	3.80	2.92	+0.89	1.19	1.12	+0.07	1.91	2.43	-0.52	4.77	5.45	-0.68
1953	12.16	12.42	-0.26	3.95	2.95	+1.00	1.15	1.21	-0.06	1.88	2.34	-0.46	4.86	5.32	-0.46
1954	12.61	12.78	-0.17	3.78	2.76	+1.02	1.11	1.14	-0.03	1.94	2.36	-0.42	5.37	5.92	-0.55
1955	13.85	14.52	-0.67	3.89	3.09	+0.80	1.20	1.29	-0.09	2.12	2.72	-0.60	6.14	6.80	-0.66
1956	15.78	16.32	-0.53	4.77	3.44	+1.34	1.32	1.57	-0.25	2.32	2.72	-0.40	6.75	7.78	-1.03
1957	17.22	17.65	-0.43	5.21	3.54	+1.66	1.37	1.59	-0.22	2.42	2.85	-0.43	7.51	8.60	-1.08
1958	16.40	16.36	+0.04	4.46	3.50	+0.96	1.36	1.45	-0.09	2.35	2.65	-0.30	7.51	8.01	-0.50
1959	17.53	17.96	-0.43	4.39	4.12	+0.27	1.42	1.59	-0.17	2.42	2.81	-0.39	8.27	8.48	-0.21
1956 I	14.30	15.43	-1.13	4.23	3.50	+0.73	1.12	1.37	-0.25	2.28	2.75	-0.47	6.12	7.12	-1.00
II	16.11	16.63	-0.52	4.92	3.41	+1.51	1.36	1.71	-0.35	2.39	2.77	-0.38	6.84	7.93	-1.09
III	15.42	16.00	-0.58	4.71	3.39	+1.32	1.37	1.53	-0.16	2.15	2.62	-0.47	6.57	7.64	-1.07
IV	17.28	17.15	+0.13	5.22	3.44	+1.78	1.43	1.63	-0.20	2.46	2.73	-0.27	7.45	8.45	-1.00
1957 I	17.09	17.90	-0.81	5.44	3.52	+1.92	1.23	1.53	-0.30	2.45	2.96	-0.51	7.32	8.82	-1.50
II	17.37	18.19	-0.82	5.47	3.49	+1.98	1.35	1.75	-0.40	2.47	2.91	-0.46	7.41	8.76	-1.36
III	16.77	17.22	-0.45	4.91	3.50	+1.41	1.47	1.58	-0.11	2.31	2.79	-0.48	7.31	8.28	-0.97
IV	17.61	17.27	+0.34	5.00	3.67	+1.33	1.42	1.48	-0.06	2.45	2.75	-0.30	7.98	8.50	-0.52
1958 I	15.94	16.26	-0.32	4.40	3.44	+0.96	1.18	1.31	-0.13	2.41	2.61	-0.20	7.24	8.10	-0.86
II	16.20	16.28	-0.08	4.57	3.43	+1.14	1.44	1.55	-0.09	2.27	2.55	-0.28	7.24	7.97	-0.73
III	15.82	15.76	+0.06	4.17	3.33	+0.84	1.36	1.39	-0.03	2.30	2.65	-0.35	7.30	7.66	-0.36
IV	17.63	17.12	+0.51	4.71	3.79	+0.92	1.45	1.54	-0.09	2.42	2.77	-0.35	8.25	8.30	-0.05
1959 I	15.60	16.33	-0.73	4.14	3.87	+0.27	1.14	1.38	-0.24	2.31	2.64	-0.33	7.28	7.67	-0.39
II	17.27	18.15	-0.88	4.45	4.17	+0.28	1.49	1.77	-0.28	2.46	2.77	-0.31	8.07	8.48	-0.41
III	17.10	17.66	-0.56	4.35	4.15	+0.20	1.43	1.60	-0.17	2.30	2.77	-0.47	8.14	8.24	-0.10
IV	19.49	19.48	+0.01	4.64	4.29	+0.35	1.61	1.63	-0.03	2.62	3.05	-0.43	9.59	9.55	+0.04

For explanations and definitions see page 55.

(a) Excludes W. Germany in 1948 and 1949 and Spain throughout.

\$ billion, quarterly averages

	Western Germany			France			Italy			Netherlands			Japan		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1948	..	..	..	0.50	0.86	-0.36	0.27	0.38	-0.12	0.26	0.47	-0.21	0.06	0.17	-0.11
1949	..	..	..	0.68	0.82	-0.14	0.28	0.39	-0.11	0.34	0.46	-0.13	0.13	0.23	-0.10
1950	0.49	0.67	+0.18	0.76	0.76	—	0.30	0.37	-0.07	0.35	0.51	-0.16	0.20	0.24	-0.04
1951	0.87	0.87	-0.01	1.02	1.11	-0.09	0.41	0.54	-0.13	0.49	0.64	-0.15	0.34	0.50	-0.16
1952	1.00	0.95	+0.05	0.96	1.08	-0.12	0.35	0.58	-0.24	0.53	0.56	-0.03	0.32	0.51	-0.19
1953	1.10	0.94	+0.15	0.95	0.99	-0.04	0.38	0.60	-0.23	0.54	0.59	-0.06	0.32	0.60	-0.28
1954	1.31	1.14	+0.17	1.05	1.06	-0.01	0.41	0.61	-0.20	0.60	0.71	-0.11	0.41	0.60	-0.19
1955	1.53	1.45	+0.09	1.23	1.18	+0.04	0.46	0.68	-0.21	0.67	0.80	-0.13	0.50	0.62	-0.11
1956	1.84	1.65	+0.19	1.13	1.39	-0.25	0.54	0.79	-0.26	0.72	0.93	-0.21	0.62	0.81	-0.18
1957	2.14	1.87	+0.27	1.28	1.54	-0.26	0.63	0.91	-0.27	0.77	1.03	-0.25	0.71	1.07	-0.36
1958	2.20	1.84	+0.36	1.28	1.40	-0.12	0.63	0.79	-0.16	0.81	0.91	-0.10	0.72	0.76	-0.04
1959	2.45	2.08	+0.37	1.40	1.27	+0.13	0.72	0.83	-0.11	0.90	0.98	-0.08	0.86	0.90	-0.04
1956 I	1.56	1.45	+0.11	1.07	1.26	-0.19	0.50	0.76	-0.26	0.67	0.85	-0.18	0.55	0.69	-0.14
II	1.89	1.65	+0.24	1.17	1.47	-0.30	0.50	0.80	-0.30	0.74	0.93	-0.19	0.60	0.81	-0.21
III	1.82	1.69	+0.13	1.06	1.33	-0.27	0.55	0.76	-0.21	0.70	0.94	-0.24	0.62	0.82	-0.20
IV	2.08	1.83	+0.25	1.23	1.48	-0.25	0.60	0.83	-0.23	0.76	0.99	-0.23	0.72	0.90	-0.18
1957 I	2.00	1.81	+0.19	1.33	1.69	-0.36	0.59	0.92	-0.33	0.76	1.08	-0.32	0.65	1.06	-0.41
II	2.11	1.81	+0.30	1.29	1.68	-0.39	0.63	0.94	-0.31	0.72	1.04	-0.33	0.67	1.28	-0.61
III	2.15	1.87	+0.27	1.16	1.43	-0.27	0.65	0.85	-0.20	0.78	1.01	-0.23	0.77	1.07	-0.30
IV	2.31	2.00	+0.32	1.32	1.36	-0.04	0.67	0.92	-0.25	0.84	0.97	-0.14	0.76	0.87	-0.11
1958 I	2.06	1.82	+0.23	1.27	1.51	-0.24	0.61	0.82	-0.21	0.77	0.87	-0.10	0.71	0.80	-0.09
II	2.13	1.72	+0.41	1.22	1.52	-0.30	0.63	0.81	-0.18	0.76	0.90	-0.14	0.68	0.78	-0.09
III	2.23	1.83	+0.40	1.15	1.26	-0.11	0.64	0.76	-0.12	0.81	0.88	-0.07	0.69	0.73	-0.04
IV	2.39	1.99	+0.40	1.47	1.32	+0.15	0.65	0.78	-0.13	0.88	0.97	-0.09	0.80	0.72	+0.08
1959 I	2.12	1.80	+0.32	1.18	1.20	-0.02	0.63	0.76	-0.13	0.81	0.90	-0.09	0.73	0.79	-0.06
II	2.39	2.04	+0.35	1.42	1.31	+0.11	0.65	0.84	-0.19	0.88	0.99	-0.11	0.81	0.95	-0.14
III	2.46	2.12	+0.34	1.34	1.14	+0.20	0.77	0.82	-0.05	0.89	0.98	-0.09	0.88	0.90	-0.02
IV	2.83	2.36	+0.47	1.68	1.44	+0.23	0.84	0.92	-0.08	1.03	1.06	-0.03	1.03	0.96	+0.07

For explanations and definitions see page 55.

Table 19. Trade of primary producing countries

\$ billion, quarterly averages

	Total			Overseas sterling area (excluding oil producers)			Australia			New Zealand			India		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
1948	4.99	5.65	-0.65	2.05	2.43	-0.38	0.41	0.35	+0.06	0.12	0.11	+0.01	0.34	0.43	-0.09
1949	4.86	5.68	-0.82	2.04	2.55	-0.51	0.40	0.40	—	0.14	0.11	+0.03	0.32	0.51	-0.19
1950	5.61	5.30	+0.31	2.24	2.23	+0.01	0.42	0.41	+0.01	0.12	0.11	+0.01	0.29	0.29	—
1951	7.09	7.40	-0.31	2.98	3.19	-0.21	0.51	0.61	-0.10	0.17	0.15	+0.02	0.40	0.45	-0.05
1952	6.24	7.29	-1.06	2.50	2.97	-0.47	0.42	0.49	-0.07	0.17	0.19	-0.03	0.32	0.42	-0.10
1953	6.35	6.44	-0.09	2.41	2.53	-0.11	0.49	0.37	+0.13	0.16	0.13	+0.03	0.28	0.30	-0.02
1954	6.55	6.81	-0.26	2.40	2.66	-0.26	0.41	0.47	-0.05	0.17	0.17	—	0.30	0.32	-0.03
1955	6.98	7.41	-0.43	2.61	3.01	-0.40	0.44	0.54	-0.10	0.18	0.20	-0.02	0.32	0.35	-0.03
1956	7.36	7.85	-0.49	2.72	3.17	-0.45	0.47	0.49	-0.02	0.19	0.19	+0.01	0.32	0.43	-0.11
1957	7.61	8.78	-1.17	2.85	3.50	-0.65	0.55	0.48	+0.07	0.19	0.21	-0.01	0.35	0.56	-0.21
1958	7.19	8.26	-1.07	2.53	3.30	-0.77	0.42	0.51	-0.10	0.17	0.20	-0.03	0.30	0.45	-0.15
1959	7.61	7.88	-0.27	2.86	3.27	-0.42	0.50	0.53	-0.03	0.19	0.16	+0.03	0.33	0.43	-0.09
1956 I	7.38	7.68	-0.30	2.72	3.16	-0.44	0.34	0.51	-0.17	0.23	0.18	+0.05	0.35	0.43	-0.08
II	7.44	7.86	-0.42	2.73	3.15	-0.43	0.54	0.51	+0.03	0.20	0.18	+0.02	0.28	0.40	-0.12
III	7.10	7.78	-0.68	2.55	3.16	-0.61	0.41	0.48	-0.07	0.18	0.20	-0.02	0.30	0.44	-0.14
IV	7.51	8.08	-0.57	2.89	3.22	-0.33	0.59	0.44	+0.15	0.16	0.18	-0.02	0.35	0.44	-0.09
1957 I	7.84	8.32	-0.48	3.07	3.41	-0.34	0.62	0.45	+0.17	0.23	0.18	+0.05	0.35	0.55	-0.20
II	7.61	8.90	-1.28	2.84	3.53	-0.69	0.57	0.48	+0.09	0.20	0.20	—	0.31	0.60	-0.29
III	7.41	8.90	-1.49	2.68	3.55	-0.87	0.46	0.51	-0.05	0.19	0.23	-0.04	0.37	0.57	-0.20
IV	7.59	9.03	-1.44	2.80	3.51	-0.70	0.55	0.51	+0.04	0.15	0.22	-0.07	0.35	0.51	-0.16
1958 I	7.34	8.34	-1.01	2.65	3.42	-0.77	0.42	0.52	-0.10	0.22	0.20	+0.02	0.30	0.47	-0.17
II	7.02	8.21	-1.19	2.43	3.27	-0.84	0.39	0.51	-0.12	0.19	0.21	-0.01	0.24	0.44	-0.20
III	6.93	7.98	-1.05	2.43	3.15	-0.72	0.37	0.52	-0.15	0.15	0.19	-0.04	0.34	0.42	-0.08
IV	7.48	8.51	-1.03	2.63	3.36	-0.74	0.48	0.51	-0.03	0.14	0.20	-0.06	0.33	0.49	-0.16
1959 I	7.31	7.32	-0.01	2.63	3.03	-0.40	0.46	0.49	-0.03	0.22	0.14	+0.08	0.28	0.40	-0.12
II	7.71	7.96	-0.25	2.81	3.28	-0.47	0.49	0.53	-0.04	0.22	0.15	+0.07	0.28	0.47	-0.19
III	7.58	7.98	-0.40	2.83	3.27	-0.44	0.45	0.53	-0.08	0.17	0.16	+0.01	0.36	0.40	-0.04
IV	7.86	8.27	-0.41	3.16	3.51	-0.35	0.61	0.57	+0.04	0.15	0.17	-0.02	0.40	0.43	-0.03

For explanations and definitions see page 55.

\$ billion, quarterly averages

	South Africa			Latin America excluding Venezuela			Oil producing countries						Others (excluding oil producers)		
	Exports	Imports	Balance	Exports	Imports	Balance	Sterling			Non-Sterling			Exports	Imports	Balance
1948	0.15	0.40	-0.25	1.36	1.35	+0.01	0.12	0.12	—	0.58	0.47	+0.11	0.89	1.27	-0.39
1949	0.16	0.34	-0.18	1.15	1.15	—	0.14	0.13	+0.01	0.65	0.48	+0.17	0.88	1.37	-0.49
1950	0.17	0.25	-0.08	1.42	1.24	+0.18	0.19	0.13	+0.06	0.75	0.46	+0.29	1.02	1.24	-0.22
1951	0.22	0.38	-0.15	1.61	1.77	-0.16	0.26	0.16	+0.10	0.85	0.55	+0.30	1.38	1.73	-0.35
1952	0.22	0.34	-0.12	1.40	1.71	-0.31	0.30	0.17	+0.13	0.80	0.59	+0.21	1.23	1.84	-0.62
1953	0.23	0.35	-0.12	1.54	1.41	+0.13	0.32	0.21	+0.11	0.84	0.59	+0.25	1.23	1.72	-0.49
1954	0.26	0.36	-0.10	1.55	1.60	-0.05	0.35	0.20	+0.15	0.98	0.65	+0.33	1.27	1.71	-0.44
1955	0.26	0.37	-0.11	1.52	1.62	-0.10	0.40	0.22	+0.18	1.09	0.73	+0.37	1.36	1.84	-0.48
1956	0.30	0.38	-0.09	1.63	1.67	-0.04	0.42	0.24	+0.18	1.19	0.81	+0.38	1.39	1.96	-0.57
1957	0.32	0.42	-0.10	1.57	1.86	-0.29	0.44	0.25	+0.19	1.28	1.02	+0.26	1.48	2.16	-0.68
1958	0.28	0.43	-0.15	1.47	1.73	-0.26	0.48	0.25	+0.23	1.32	0.96	+0.36	1.39	2.02	-0.63
1959	0.31	0.38	-0.07	1.48	1.56	-0.09							1.42	1.87	-0.45
1956 I	0.27	0.40	-0.13	1.67	1.61	+0.06	0.42	0.26	+0.16	1.17	0.86	+0.37	1.40	1.86	-0.46
II	0.28	0.39	-0.11	1.67	1.63	+0.04	0.44	0.23	+0.21	1.20	0.80	+0.40	1.41	2.04	-0.63
III	0.30	0.37	-0.07	1.58	1.66	-0.08	0.43	0.23	+0.20	1.24	0.78	+0.46	1.29	1.95	-0.66
IV	0.34	0.36	-0.02	1.62	1.78	-0.16	0.37	0.23	+0.14	1.17	0.87	+0.30	1.46	1.99	-0.53
1957 I	0.33	0.41	-0.07	1.68	1.71	-0.03	0.38	0.21	+0.17	1.17	0.95	+0.22	1.53	2.03	-0.50
II	0.32	0.42	-0.10	1.56	1.88	-0.33	0.45	0.25	+0.20	1.30	0.97	+0.33	1.47	2.26	-0.79
III	0.30	0.43	-0.13	1.51	1.91	-0.40	0.47	0.26	+0.21	1.33	1.01	+0.32	1.43	2.17	-0.74
IV	0.34	0.43	-0.09	1.55	1.94	-0.39	0.45	0.25	+0.20	1.30	1.14	+0.16	1.49	2.18	-0.69
1958 I	0.29	0.48	-0.19	1.46	1.67	-0.21	0.47	0.25	+0.22	1.31	0.99	+0.32	1.45	2.01	-0.56
II	0.29	0.45	-0.16	1.46	1.75	-0.29	0.48	0.25	+0.23	1.25	0.92	+0.33	1.40	2.01	-0.61
III	0.26	0.40	-0.15	1.42	1.76	-0.34	0.48	0.25	+0.23	1.33	0.91	+0.42	1.27	1.91	-0.64
IV	0.28	0.38	-0.10	1.53	1.74	-0.21	0.49	0.25	+0.24	1.41	1.01	+0.40	1.43	2.14	-0.72
1959 I	0.28	0.36	-0.08	1.44	1.33	+0.11	0.49	0.25	+0.24	1.42	0.97	+0.45	1.33	1.73	-0.40
II	0.31	0.39	-0.08	1.52	1.61	-0.08	0.50	0.26	+0.24	1.32	0.91	+0.41	1.55	1.90	-0.35
III	0.30	0.36	-0.06	1.54	1.68	-0.14	0.50	0.26	+0.24	1.35	0.89	+0.46	1.36	1.88	-0.52
IV	0.34	0.39	-0.05	1.41	1.64	-0.23							1.42	1.95	-0.54

For explanations and definitions see page 55.

Table 20. Industrial countries : imports by volume and import and export prices

Index numbers, 1953 = 100

	Volume of imports						Import prices				Export prices				
	U.S.A.	U.K.	OEEC, incl. U.K.		Western Germany	France	U.S.A.	U.K.	Western Germany	France	U.S.A.	U.K.	Western Germany	France	Japan
			From outside	Intra-trade											
1950	92	90	91	87	75	89	88	84	94	87	88	84	81	82	82
1951	91	101	98	93	77	101	111	112	120	114	101	99	99	97	122
1952	96	93	96	90	89	99	105	110	114	112	100	104	107	103	108
1953	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1954	93	101	108	115	126	108	103	99	96	99	99	99	96	94	97
1955	103	113	120	130	152	123	102	102	100	98	100	101	98	95	93
1956	112	112	130	139	171	142	104	104	102	99	103	105	101	100	96
1957	115	116	137	147	192	150	105	106	103	104	107	110	103	102	97
1958	119	116	138	145	205	149	100	98	95	95	106	109	103	98	91
1959	142	124			247	147	98	97	91	88	107	108	100	90	91
1956 I	113	115	126	126	150	129	104	104	102	99	104	104	100	97	95
1956 II	109	114	132	140	169	149	104	105	103	100	103	104	100	100	96
1956 III	111	108	128	133	174	138	104	102	103	98	103	105	101	101	97
1956 IV	113	111	133	152	191	150	105	106	101	101	104	106	102	101	97
1957 I	114	119	141	147	184	162	107	109	104	106	107	109	103	103	99
1957 II	111	115	139	144	183	163	106	109	105	105	107	109	104	103	98
1957 III	113	113	131	142	191	138	105	105	104	105	107	111	103	103	97
1957 IV	119	116	134	155	210	138	104	101	101	100	108	110	103	98	95
1958 I	115	114	137	142	197	159	102	98	98	96	107	109	104	98	93
1958 II	116	112	136	143	190	162	100	98	96	95	105	109	103	99	91
1958 III	115	115	133	143	208	133	100	97	93	96	105	109	102	98	90
1958 IV	130	122	143	156	227	142	99	98	93	94	106	108	101	96	89
1959 I	134	118	135	150	206	139	98	97	92	87	107	108	101	87	89
1959 II	144	124	148	164	239	151	98	96	90	88	107	108	101	90	90
1959 III	143	121	140	165	248	132	98	97	90	88	107	107	100	91	91
1959 IV	146	132			284	162	99	99	90	89	107	109	100	92	93

For explanations and definitions see page 55.

Table 21. Industrial countries' exports of manufactures

	Volume							Value, total	Shares					
	Total	U.S.A. (a)	U.K.	Western Germany	France	Japan	Others (b)		U.S.A. (a)	U.K.	Western Germany	France	Japan	Others (b)
Index numbers, 1953 = 100								\$ bn., quarterly averages	Per cent of total value					
1950	86	86	110	42	98	81	84	5.0	27.3	25.5	7.3	9.9	3.4	26.6
1951	100	103	109	72	119	89	100	7.0	26.6	21.9	10.0	10.0	4.3	27.2
1952	98	102	100	87	96	94	98	6.9	26.2	21.5	12.0	9.2	3.8	27.3
1953	100	100	100	100	100	100	100	6.9	25.9	21.2	13.3	9.0	3.8	26.8
1954	111	106	104	127	110	140	108	7.4	25.2	20.3	14.8	9.0	4.7	26.0
1955	125	115	113	150	123	186	122	8.5	24.5	19.6	15.4	9.3	5.1	26.1
1956	136	128	120	174	114	222	133	9.6	25.3	19.0	16.4	7.8	5.7	25.8
1957	146	135	123	201	129	250	140	10.7	25.4	18.0	17.5	8.0	6.0	25.1
1958	145	122	118	213	139	255	143	10.5	23.3	17.8	18.6	8.6	6.0	25.7
1959	158	120	132	234	170	303	159	11.3	21.6	17.3	19.1	9.2	6.7	26.1
1957 I	144	135	125	183	135	265	137	10.5	25.7	18.4	16.4	8.6	5.5	25.3
II	149	147	126	196	132	240	140	10.9	26.8	18.1	16.9	8.2	5.5	24.6
III	143	128	118	202	115	269	139	10.4	24.8	17.8	18.2	7.4	6.6	25.2
IV	150	132	122	223	133	265	144	10.9	24.5	17.6	18.6	7.8	6.2	25.3
1958 I	141	123	121	195	134	255	135	10.3	24.2	18.6	17.4	8.5	6.1	25.2
II	144	127	115	210	131	246	142	10.4	24.4	17.5	18.1	8.3	5.8	25.9
III	141	113	116	214	125	239	141	10.1	22.3	18.1	19.6	8.1	5.9	26.0
IV	154	123	120	230	165	279	153	11.1	22.5	17.0	19.1	9.5	6.1	25.8
1959 I	143	115	117	205	149	263	139	10.2	23.1	18.4	18.3	8.7	6.2	25.2
II	158	123	125	230	175	290	155	11.4	21.9	17.8	18.7	9.2	6.4	25.8
III	155	116	117	232	160	305	160	11.1	21.3	16.8	19.5	8.8	6.9	26.7
IV	176	126	129	268	198	352	183	12.7	20.3	16.6	19.8	9.8	7.1	26.5

For explanations and definitions see page 55.

(b) Excluding special category. (b) Belgium-Luxembourg, Canada, Italy, Netherlands, Sweden and Switzerland.

Table 22. The United States^(a)Quarterly averages, seasonally adjusted ^(b)

	Gross national product	Consumers' expenditure		Public spending on goods and services		Gross private fixed investment		Value of physical changes in stocks	Net foreign investment	Durable goods		Building and contracting orders	Unemployment (c)	Employment (b)	Consumer prices (b)	
		Durable goods	Other goods and services	Federal	Other	Dwellings	Other			Manufacturers' sales	Manufacturers' new orders					
\$ billion, at constant 1954 prices										\$ billion at current prices		per cent	millions	1954 = 100		
1950		79.5	8.03	46.2	6.2	5.88	3.88	8.30	1.80	-0.70	26.41	30.95	4.6	5.0	59.96	89.5
1951		85.5	7.30	47.4	10.4	6.03	3.23	8.80	2.43	0.03	31.13	38.03	5.0	3.0	61.01	96.7
1952		88.4	7.13	49.0	13.7	6.13	3.20	8.75	0.75	-0.05	32.81	35.06	5.3	2.7	61.04	98.9
1953		92.3	8.28	50.5	15.1	6.38	3.40	9.13	0.13	-0.63	37.13	33.10	5.6	2.5	61.95	99.7
1954		90.8	8.10	51.4	12.2	6.93	3.85	8.78	-0.40	-0.10	33.71	30.47	6.3	5.0	60.89	100.0
1955		98.2	9.90	54.1	11.3	7.43	4.55	9.55	1.53	-0.15	39.24	41.56	7.6	4.0	62.94	99.7
1956		100.2	9.50	56.6	10.4	7.65	4.05	10.28	1.13	0.63	41.42	43.33	7.9	3.8	64.71	101.2
1957		102.1	9.63	58.1	10.7	8.08	3.85	10.28	0.50	0.95	42.48	39.26	8.0	4.3	65.01	104.7
1958		99.8	8.93	59.4	11.0	8.60	4.05	8.63	-0.89	0	37.21	36.43	8.8	6.8	63.97	107.6
1959		106.5	10.05	61.9	11.0	9.13	4.85	9.12	1.10	-0.65	43.57	44.81	9.1	5.5	65.58	108.6
1958	I	97.8	8.80	58.4	10.7	8.43	3.85	9.00	-1.60	0.20	36.35	32.88	7.8	6.5	62.18	106.9
	II	98.3	8.75	59.0	11.0	8.45	3.83	8.53	-1.33	0.03	35.26	34.50	9.0	7.2	63.98	107.7
	III	100.2	8.83	59.9	11.1	8.65	4.08	8.40	-0.80	0.13	37.36	37.55	9.8	7.4	65.06	107.8
	IV	102.7	9.38	60.2	11.3	8.88	4.45	8.53	0.28	-0.35	39.85	40.78	8.7	6.4	64.64	107.8
1959	I	105.2	9.70	60.9	11.2	9.10	4.83	8.70	1.43	-0.68	41.81	44.14	9.1	6.0	63.09	107.8
	II	108.0	10.30	61.8	11.3	9.10	5.05	9.05	2.38	-0.88	46.45	47.17	9.7	5.1	66.12	108.4
	III	106.1	10.15	62.1	11.0	9.23	4.93	9.33	-0.15	-0.48	43.51	44.21	9.3	5.4	67.06	108.9
	IV	106.7	10.05	62.7	10.7	9.08	4.60	9.40	0.70	-0.55	42.52	43.71	8.3	5.6	66.06	109.3
August							5.63(d)				42.02	41.92	9.4	5.5	67.24	108.7
September							5.57(d)				42.34	44.24	8.7	5.6	66.35	109.1
October							5.43(d)				42.14	45.30	9.4	6.0	66.83	109.3
November							5.29(d)				44.34	41.16	8.4	5.6	65.64	109.4
December							5.42(d)				44.98	44.66	7.2	5.2	65.70	109.3
1960 Jan. February													5.2	64.02	109.2	
													4.8	64.52		

For explanations and definitions see page 55.

(a) The U.S. index of industrial production is shown in table 17. (b) Employment and consumer prices are not seasonally adjusted. (c) Per cent of civilian labour force. (d) Figures at current prices.

Table 23. Balance of payments : United Kingdom and sterling area

£ million

£ million

	U.K. current transactions				U.K. long-term capital		Balancing item	U.K. short-term capital, etc.					Sterling-area balance with non-sterling world		
	Imports	Exports	Invisibles	Balance	Inter-Government etc.	Other		Overseas sterling holdings				Other short-term capital	Overseas sterling area		
								Countries		Non-territorial	Reserves (a)		U.K. current balance	Current balance	Net capital receipts
								Sterling area	Other						
1952	2,959	2,831	+355	+227	—	-180	+ 48	-104	-254	+ 1	+175	+87	-121	- 75	+257
1953	2,896	2,677	+398	+179	- 31	-210	+ 45	+235	+ 39	- 56	-240	+39	+ 27	+146	+151
1954	3,020	2,825	+399	+204	- 20	-220	+ 19	+106	+104	- 35	- 87	-71	- 56	+ 22	+152
1955	3,432	3,076	+264	- 92	- 53	-130	+119	- 60	- 67	- 7	+229	+61	-287	+ 7	+136
1956	3,466	3,402	+256	+192	- 51	-190	+112	- 34	-120	+200(b)	- 42(b)	-67	-154	+ 59	+158
1957	3,569	3,538	+273	+242	+ 72	-270	+163	-122	- 27	- 24	- 13	-21	-136	-103	+278
1958	3,330	3,428	+249	+348	- 46	-200	+110	- 89	+169	- 22	-284	+14	- 87	-158	+341
1959	3,605	3,547	+203	+145	- 358	-190	+ 40	+184	- 39	+ 82(c) (d)	+119(c) (d)	+17			
1958 I	828	885	+ 95	+152	—	- 25	+ 77	- 69	+ 39	+ 5	-177	- 2	} - 5	- 74	+188
II	800	836	+ 49	+ 85	- 14	- 65	+ 53	- 2	+ 33	- 19	-110	+39			
III	845	838	+ 81	+ 74	+ 4	- 60	- 9	- 45	+ 39	+ 5	- 15	+ 7			
IV	857	870	+ 24	+ 37	- 36	- 50	- 11	+ 27	+ 58	- 13	+ 18	-30			
1959 I	865	848	+ 36	+ 19	- 19	- 30	+ 84	+ 55	- 71	- 85(c)	- 25(c)	+72	} +50	+ 19	+163
II	884	901	+ 79	+ 96	-179 (d)	- 50	- 20	+ 75	- 46	+171(d)	- 12(d)	-35			
III	892	851	+ 89	+ 48	- 24	- 50	- 5	+ 27	+ 43	- 4	- 40	+ 5			
IV	964	947	- 1	- 18	-136	- 60	- 19	+ 27	+ 35	—	+196	-25			

For explanations and definitions see page 55.

(a) A plus sign denotes a fall in the reserves and a minus sign a rise.

(b) U.K. acquired U.S. dollars to the value of £201 million from the International Monetary Fund (I.M.F.) in exchange for sterling.

(c) U.K. repurchased from I.M.F. with U.S. dollars sterling to the value of £71 million.

(d) U.K. paid to I.M.F. a subscription of £232 million (£174 million in sterling and £58 million in gold).

	Current C.O.K. Import Prices				Exports, primary products		Exports, overseas sterling area		Exports, Latin America		Agricultural exports of primary producers			Average of daily or weekly prices										1954 = 100	
	Total	Food, tobacco	Industrial materials	Fuels	Exports, primary producers	Food	Non-food	Total	Food	Non-food	Can. \$ per 60 lb.	U.S. cents per lb.	Indian rupees per lb.	U.S. cents per lb.	U.S. cents per lb.	U.S. cents per lb.	d. per lb.	U.S. cents per lb.	Rubber	Lithium	Wool	Cross-bred d. per lb.	£ per ton		Index
1950	..	..	..	..	..	..	..	..	..	..	2.13	4.96	2.30	50.5	32.2	33.3	37.0	164	91	179	66
1951	102.3	105.3	104.0	90.5	102.8	101.9	98.6	99.7	100.4	98.6	1.74	3.32	2.12	56.0	27.1	28.0	36.4	105	72	370	110				
1952	105.6	107.5	105.5	101.6	104.9	104.8	104.8	103.2	102.3	104.8	1.73	3.34	2.99	60.0	28.2	26.2	34.7	118	75	297	109				
1953	..	..	..	..	..	..	..	..	..	..	1.70	3.87	3.00	60.4	26.7	30.3	34.5	124	80	279	109
1954	..	..	..	..	..	..	..	..	..	..	1.69	5.86	2.56	60.3	23.1	27.0	35.2	133	84	250	111
1955	..	..	..	..	..	..	..	..	..	..	1.65	6.23	2.17	57.8	27.2	27.0	35.4	137	90	236	110
1956 1st half	105.5	104.4	104.5	111.0	104.6	103.7	105.0	105.1	105.3	105.0	1.62	4.65	2.91	54.4	32.2	26.4	35.1	125	84	207	110				
1956 2nd half	101.8	101.3	102.6	100.7	102.3	102.6	102.6	103.2	102.6	102.6	1.61	3.84	2.51	54.1	39.6	24.0	35.7	105	74	185	109				
1957 I	98.5	99.2	99.2	94.8	98.9	99.6	99.6	99.7	99.6	99.6	1.64	3.57	2.27	54.6	43.5	22.9	36.1	98	65	168	107				
1957 II	94.3	95.2	93.7	93.6	94.2	94.1	94.1	93.4	95.2	90.4	1.61	3.48	2.35	43.5	41.5	25.2	36.1	95	58	183	104				
1958 I	94.1	97.0	91.9	92.8	91.9	93.0	93.0	92.1	95.7	86.5	1.64	3.57	2.27	54.6	43.5	22.9	36.1	98	65	168	107				
1958 II	94.6	100.2	90.6	91.7	91.6	93.4	89.5	91.2	96.3	83.1	1.61	3.45	2.56	50.9	46.8	22.3	36.3	95	58	183	104				
1958 III	95.2	101.5	90.6	91.4	91.0	92.2	89.2	90.0	95.0	82.2	1.64	3.49	3.09	45.9	45.7	23.6	36.3	95	56	205	101				
1958 IV	95.7	102.8	90.8	91.1	90.3	91.4	87.3	88.2	92.9	80.6	1.64	3.48	2.35	43.5	41.5	25.2	36.1	96	56	233	97				
1959 I	94.5	101.9	90.3	87.4	88.9	91.4	83.8	86.5	90.7	79.7	1.68	3.14	2.12	39.5	37.7	25.5	35.7	76	58	238	95				
1959 April	94.3	99.3	93.4	84.9	92.0	96.2	85.0	90.3	91.6	88.4	1.68	2.87	1.84	37.5	37.8	27.7	36.0	94	68	240	94				
1959 May	95.1	100.1	94.4	84.7	93.5	97.5	85.8	92.3	91.8	93.2	1.68	2.93	1.84	37.5	37.5	29.8	36.3	94	69	236	94				
1959 June	94.7	100.5	93.4	84.7	92.4	96.1	86.0	91.1	91.0	90.7	1.67	2.83	1.84	36.5	37.4	28.0	36.1	94	69	230	94				
1959 July	95.0	101.6	92.9	84.3	91.9	95.5	85.9	90.7	90.3	91.9	1.67	2.67	2.80	37.5	36.3	28.9	34.7	93	68	221	95				
1959 August	95.8	102.2	94.6	83.5	93.4	97.8	86.5	92.4	91.0	96.0	1.66	2.81	2.84	36.5	37.7	31.4	33.2	102	74	233	95				
1959 September	97.2	104.5	95.7	83.6	94.3	98.2	88.3	93.1	90.4	95.7	1.65	3.11	2.54	34.8	38.0	32.9	33.0	98	72	230	95				
1959 October	97.7	104.3	97.1	83.6	93.8	97.8	86.9	92.2	90.9	94.4	1.64	3.07	2.47	35.3	36.8	34.2	32.8	96	73	242	96				
1959 November	97.6	103.1	97.9	83.6	94.8	99.3	85.9	93.4	89.8	99.0	1.65	2.95	2.55	36.9	33.8	36.4	33.0	93	72	250	97				
1959 December	98.7	105.1	98.6	83.7	95.3	100.1	86.0	93.7	90.6	98.6	1.66	3.00	2.60	36.2	31.7	35.2	33.0	97	76	255	98				
1960 Jan.	99.0	104.9	99.5	83.8	96.3	100.4	86.9	94.7	91.5	99.7	1.66	2.97	2.50	36.4	29.8	35.1	33.0	96	76	259	100				
1960 February	97.7	102.3	98.9	83.6	95.2	98.5	86.6	93.2	90.6	97.4	1.66	3.02	2.40	37.1	28.8	34.1	33.0	97	74	267	100				

STATISTICAL APPENDIX: DEFINITIONS AND EXPLANATIONS

GENERAL NOTES

Sources

The main sources and abbreviations used in the following notes are:

- Blue Book : *National Income and Expenditure* (HMSO, annual)
 BTJ : *Board of Trade Journal* (HMSO, weekly)
 ET : *Economic Trends* (HMSO, monthly)
 MLG : *Ministry of Labour Gazette* (HMSO, monthly)
 MDS : *Monthly Digest of Statistics* (HMSO)
 T and N : *Accounts relating to Trade and Navigation of the United Kingdom* (HMSO, monthly)
 B of P : *United Kingdom Balance of Payments 1946-57* (HMSO, 1959) and *Command Papers on United Kingdom Balance of Payments* (HMSO, every six months)
 IFS : *International Financial Statistics* (International Monetary Fund, monthly)
 OEEC : *General Statistics* (every two months) and *Foreign Trade Statistical Bulletins* (Organisation for European Economic Co-operation)

Statistics derived from these publications are not described in detail. For more information, reference should be made either to these publications or to their explanatory supplements. These are:

- Blue Book : *National Income Statistics: Sources and Methods* (HMSO 1956)
 MDS : *Definitions and Explanatory Notes* (HMSO, annual)
 MLG : *Guides to Official Sources: No. 1, Labour Statistics* (May 1958)
 OEEC : *Definitions and Methods*
 I. *Indices of Industrial Production* (3rd ed., 1958)
 II. *Population and Manpower, Internal Trade, Prices and Wages, Finance* (2nd ed., 1955)
 III. *Foreign Trade* (2nd ed., 1955)
 IV. *Agricultural Production, Agricultural Prices* (2nd ed., 1955)

Country groups

The following country groups are used; they include all the countries listed against them, unless stated otherwise.

Industrial countries: USA, Canada, UK, Continental OEEC, and Japan.

North America: USA and Canada only.

OEEC: Austria, Belgium-Luxembourg, Denmark, France, West Germany, Greece, Iceland, Irish Republic, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, UK.

Continental OEEC: Excludes sterling area countries—Irish Republic, Iceland, and UK.

Western Europe: Continental OEEC, Yugoslavia and Finland.

Primary producing countries: All countries not included as industrial countries above, except for Eastern area, Yugoslavia and Finland.

Overseas sterling area: The British Commonwealth (except Canada), British Trust Territories, British Protectorates and Protected States, Burma, Irish Republic, Iceland, Jordan, Libya, Muscat and Oman.

Latin America: Central America, including Mexico but excluding the Panama Canal zone, and South American countries excluding European possessions.

Oil-producing countries, sterling: British-protected Persian Gulf States (including Kuwait) and Aden, Sarawak, Brunei and Trinidad.

Oil-producing countries, non-sterling: Iraq, Iran, Saudi Arabia, Venezuela and the Netherlands Antilles.

Other primary producing countries: All primary producing countries not included elsewhere.

Eastern area: Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, North Korea, North Vietnam, Poland, Roumania, Union of Soviet Socialist Republics, and the People's Republic of China.

Valuation of imports and exports

Imports are valued c.i.f. and exports and re-exports f.o.b. unless otherwise stated.

Seasonal adjustments

A number of monthly and quarterly series have been adjusted to eliminate the estimated normal seasonal variations. The procedures used and the reliability of the adjustments were described in the article 'Seasonal corrections' in the September 1959 issue

of the Review (No. 5), on pages 50-56. Additional seasonal correction factors were given on page 61 of the November 1959 issue (No. 6) and page 59 of the January 1960 number (No. 7). The main point to be noted is that all seasonally adjusted series must be regarded as containing a margin of uncertainty, depending in particular on the extent to which seasonal variation can be shown to have been regular in the past.

THE HOME ECONOMY

Table 1. Gross domestic product

Sources: *Blue Book*, *ET*, *MDS*, *BTJ*

Official quarterly estimates of all items of final expenditure and of imports of goods and services, at 1954 market prices, are now available (*ET*). Individual items of expenditure are no longer shown at 1954 factor cost but an overall adjustment (*ET*) makes it possible to obtain figures for the gross domestic product from the expenditure estimates. The difference between this figure for the gross domestic product and an estimate based upon output series, supplied by the Department of Applied Economics, Cambridge, is given as the statistical discrepancy.

The seasonally adjusted series for consumers' expenditure and for gross fixed investment at 1954 market prices, published by the Central Statistical Office have now been incorporated in this table. Some series in this table are given in detail in other tables: consumers' expenditure in table 8, gross fixed investment in table 9, exports and imports of goods and services in tables 14 to 16 (although these three tables cover the merchandise trade only and are on the basis of the Trade and Navigation Accounts), industrial production in table 2. The adjustment to factor cost consists of net indirect taxes at 1954 rates.

Table 2. Production in industry

Sources: *MDS*, *MLG*

The headings correspond with those of the Standard Industrial Classification:

Total industrial production	SIC Orders II-XVIII. (These are the industries covered by the index of industrial production.)
Construction	SIC Order XVII
Mining	SIC Order II
Total manufacturing	SIC Orders III-XVI
Metals and metal using	SIC Orders V-IX
Engineering and electrical goods	SIC Order VI
Vehicles	SIC Order VIII
Shipbuilding	SIC Order VII
Textiles	SIC Order X
Chemicals	SIC Order IV
Other industries	SIC Orders III, XI, XII, XIII, XIV, XV, XVI and XVIII

Index numbers. The industry series have been seasonally adjusted by NIESR with the advice of the Central Statistical Office.

Steel consumption. Seasonally adjusted data supplied by the Iron and Steel Board.

Output of steel and passenger cars. This has been roughly adjusted by NIESR for seasonal variations. For incomplete years steel output figures refer to a standard quarter of 90 working days; car output figures to a standard quarter of 76½ working days. At the end of the year they will be adjusted to add up to the final figures of annual output.

Selected durable consumer goods. The durable household goods selected for this index are radios, radiograms, television sets, gas and electric cookers, domestic washing machines, domestic refrigerators, and vacuum cleaners. Production series are used for radios and radiograms, television sets, gas cookers, and for electric cookers up to June 1959; deliveries are used for the rest. The weighting used in the index, based on the 1954 Census of Production, is as follows:

	Weight in 100
Radios and radiograms	14.59
Television sets	32.68
Gas cookers	14.48
Electric cookers	6.45
Domestic washing machines	12.89
Domestic refrigerators	9.61
Vacuum cleaners	9.30
	100.00

The index has been seasonally adjusted. The index for the most recent periods—if in italics—should be considered as an approximate estimate based on less than seven items according to the availability of data. In the compilation of these estimates, the British Electrical Appliances Manufacturers' Association supply additional information.

Table 3. The labour market

Source : MLG

All figures are for Great Britain only.

Employment. The index numbers of the total in civil employment exclude H.M. Forces and estimates of self-employed persons. They have been derived from the monthly industrial analysis of employment in Great Britain (MLG), from the annual count of the number of employees holding national insurance cards in May of each year, and from information kindly supplied by the Ministry of Labour. Following the publication of the total numbers of employees in Great Britain at end-May 1959 (MLG February 1960) revisions have been made to all series from the fourth quarter of 1958. However, as the published figures of the numbers holding insurance cards in May 1960 will not be available until February 1961, index numbers shown since May 1959 must be regarded as provisional.

The headings shown follow the Standard Industrial Classification (1948) :

	SIC (1948)
Total civil employees	I-XXIV
Agriculture, forestry and fishing	I
Transport and communication	XIX
Distribution and other services	XX-XXIV
Total industrial	II-XVIII
Building and contracting	XVII
Mining and quarrying	II
Total manufacturing	III-XVI
Metals, metal using	V-IX
Textiles	X
Other industries (including gas, electricity and water)	III, IV, XI-XVI, XVIII

Unemployment. The percentages have been obtained by relating the average numbers of wholly unemployed and temporarily stopped in any period to the numbers of insured employees in May of that year. Percentages for 1959 have been revised now that the number of insured employees in May 1959 has become available. For 1960, the May 1959 figure for insured employees has been used.

Unfilled vacancies. The end-of-month figures of employment vacancies unfilled have been expressed as percentages in the same way as the unemployment figures. New seasonal adjustments have been calculated for total unemployment and unfilled vacancies. These have been based on the period 1948-1959 and have been derived from monthly percentage deviations about a 12-month moving average for this period. Some attempt however has been made to take account of the changing amplitude of seasonal movements in unemployment and unfilled vacancies so that the adjustments adopted are not exactly the same from year to year.

Demand for labour. A detailed description of the index is given in 'Excess Demand for Labour', J. C. R. Dow and L. A. Dicks-Mireaux, *Oxford Economic Papers*, February 1958, which describes the adjustments made, in particular to the figures for unfilled vacancies. The index of excess demand for labour can be regarded as the excess in any month of the adjusted percentage of unfilled vacancies over the percentage of unemployment.

Net overtime per head in manufacturing. The difference between aggregate hours worked overtime and aggregate hours lost by short-time has been divided by the total number of operatives in the sample taken by the Ministry of Labour for a specific week in each quarter.

Table 4. Unemployment by industry

Source : MLG

The headings shown follow the Standard Industrial Classification (1948) :

	SIC (1948)
Metals, metal using	V-IX
Textiles	X
Building and contracting	XVII
Mining and quarrying	II
Transport and services	XIX-XXIV
Other industries	I, III, IV, XI-XVI, XVIII

New seasonal adjustment have been calculated for each of these groups and are based upon the period 1948-1959. The method adopted is the same as that described in the notes to table 3.

Table 5. Productivity

Sources : MDS, MLG

Output per person employed. The index is arrived at by dividing the production indices in tables 1 and 2 by the appropriate employment indices in table 3.

Output per man-hour worked in total manufacturing. This is based on the production index in table 2, on the employment index in table 3 and on an estimate of average weekly hours worked in each quarter. The quarterly estimates have been obtained by interpolating the changes in average weekly hours worked in April and October (as reported in the Ministry of Labour's earnings enquiries), using the series 'net hours overtime per head in manufacturing' (table 3) after taking account of changes in the standard working week.

Table 6. Prices

Sources : MLG, MDS, ET, BTJ

Capital goods. The indices have been derived from the ratio of investment at constant (1954) market prices to investment at current market prices.

Export prices. This is the Board of Trade index of export prices, whose weighting is based on the pattern of trade in 1954.

Retail prices. The official series of index numbers, with bases at 17 June 1947, 15 January 1952, and 17 January 1956, have been linked, and are shown with 1954 = 100.

Consumer prices. These have been derived from the ratio of consumers' expenditure at current market prices to consumers' expenditure at constant (1954) market prices. The estimates for recent months have been obtained by linking corresponding component series of the retail prices index to the latest quarterly consumer prices figure.

Total final prices. This index is derived from the official estimates of final expenditure at current and at 1954 market prices (ET).

Table 7. Wages, profits and other costs

Sources : MLG, MDS, ET

Weekly wage rates. The official series of index numbers for wage rates, based on 30 June 1947 and 31 January 1956, have been linked, and are shown with 1954 = 100.

Wage rates by industry. These cover adult male and female workers. They were first presented and described by Professor Ely Devons and Mr. R. C. Ogley in *The Manchester School*, May 1958. Since then, index numbers have been kindly supplied to the Institute by Mr. J. R. Crossley of the Faculty of Economic and Social Studies of the University of Manchester who is now continuing their compilation on the same basis.

The new headings are defined according to the Standard Industrial Classifications (1948) as :

	SIC (1948)
Metals, metal using	V-IX
Textiles	X
Mining and quarrying	II
Building and contracting	XVII
Agriculture, forestry and fishing	I
Other industries and services	III, IV, XI-XVI, XVIII-XXIV

Income from employment. The seasonally adjusted series published by the Central Statistical Office have now been adopted.

Import prices. This is the Board of Trade index of import prices, whose weighting is based on the pattern of trade in 1954.

Materials used in manufacturing industry and prices of all manufactured products. These wholesale price indices are taken from MDS or BTJ.

Table 8. Personal income and expenditure

Sources : Blue Book, ET, MDS

Where series have been seasonally adjusted by the Central Statistical Office, these series have been adopted. Where more detailed series are shown NIESR seasonal adjustments have been made in such a way as to give the aggregate series adjusted by the Central Statistical Office.

Disposable income. Total personal income less taxes on income and national insurance contributions.

Consumers' expenditure. The NIESR estimates for the latest quarter are based on Board of Trade retail sales and other published indicators. For a full description of the items included in the three categories of durable goods, see ET, August 1958, pp. viii/ix.

Table 9. Fixed investment

Sources : Blue Book, ET, MDS

All figures have been seasonally adjusted. The new official seasonally adjusted series for total investment, dwellings and sectors (ET Jan. 1960) have been adopted, and those for the breakdowns by type of asset and by industry group have been modified to secure consistency with the official figures.

Following the official practice total fixed investment and the series by sector and asset have been amended to include legal fees, stamp duties etc., (which are classified with other buildings and works). These items are, however, omitted from the figures by industry as their industry distribution is not known.

Total fixed investment. Gross fixed capital formation at home.

Dwellings ; industries and services by type of asset and by sector. Derived from expenditures in £(1954)mn. published in ET. When available, provisional figures of dwellings, and other buildings and works are based on Ministry of Works estimates of the value of work done.

Industries and services, by industry group. The classification follows that given in ET with the following modifications : 'fuel and power' covers mining and quarrying and gas, electricity and water, 'transport and communication' excludes shipping (as well as omitting road goods transport), and 'other industries and services' includes estimates for shipping.

For the adjustment to 1954 prices annual figures come from the *Blue Book*. Quarterly figures for manufacturing and other industries and services are derived from estimates of investment at current and constant prices in manufacturing and in distribution and other services published in *MDS* and *BTJ*. Quarterly figures for fuel and power, transport and communications and public services (which are predominantly public industries) have been adjusted by an annual price index derived from *Blue Book* figures interpolated and extrapolated by prices indices derived from public sector expenditures on investment goods other than dwellings.

Table 10. Construction orders and work done

Sources : *MDS, ET*

The figures are for Great Britain only. They are the quarterly statistics of value of new work done by contractors (*ET* and *MDS*), and of value of new orders received by contractors published in *ET*, adjusted for price changes. They exclude maintenance and repair work and output of labour employed by public authorities and public utilities. 'Industrial' construction covers work for the manufacturing and building industries, including offices which are parts of factory schemes and probably some warehouses.

The value figures have been deflated by price index numbers for capital goods (see table 6).

Table 11. Metal-using industries : orders ; factory building approvals

Source : *BTJ, MDS*

Orders on hand in engineering and electrical goods industries. The index covers Order VI of the SIC and represents the total value, at 1954 prices, of orders on hand in these industries. The index numbers for 1954 to 1957 are based on much less complete information than those for later periods and give a broad indication of the direction of change, rather than a reliable measure of its extent.

Machine-tools : new orders. The figures are arrived at by combining orders on hand and deliveries, as published in *MDS*.

Shipbuilding. Figures have been supplied by The Shipbuilding Conference, London.

Factory building approvals. The official figures (*MDS*) have been seasonally adjusted. The figures refer to Great Britain only.

Table 12. Changes in the volume of stocks.

Sources : *MDS, BTJ*

The changes in the total volume of stocks are the figures from national income and expenditure estimates made by the Central Statistical Office. Estimates of stock changes in manufacturing are based on the official estimates in real terms of the Board of Trade. The breakdown by types at 1954 prices is the result of deflation by appropriate wholesale price index numbers of the Board of Trade. Changes in the wholesale and retail stocks are derived from the Board of Trade index numbers and adjusted to 1954 prices by using official price index numbers.

The difference between the total stocks in manufacturing and distribution and the total for all stocks is mainly accounted for by the following stocks : stocks held by farmers, stocks of public bodies (both strategic and trading stocks), coal stocks of the National Coal Board, coke stocks at gas works, stocks of the catering trades, stocks held by distributors of motor vehicles, builders' and contractors' work in progress (less progress payments), and work in progress on ships being constructed for overseas owners. These amount to about 25 per cent of the total of all stocks.

Table 13. Credit

Sources : *Annual Abstract, Blue Book, MDS, ET, BTJ*

Hire purchase debt. Figures since the third quarter of 1957 have come from *BTJ*. Estimates for previous periods were made by linking the figures of debt outstanding at July 1957 to finance houses and household goods shops, to the old series of index numbers of hire purchase debt (*BTJ* 28 February 1958).

London Clearing Bank advances. As from the beginning of 1959, these exclude all items in transit (previously they excluded items in transit for Lloyds Bank only).

London clearing banks liquidity ratio. The ratio to total deposits of (i) the sum of coins, notes and balances at the Bank of England, (ii) money at call and short notice (iii) Treasury bills discounted, (iv) other bills discounted.

FOREIGN TRADE AND OVERSEAS

Table 14. UK imports and exports and changes in imported stocks

Sources : *T and N, BTJ*

Imports and exports. Volume index numbers are based on Board of Trade revaluations of imports and exports at 1954 prices. Both the value and volume figures of imports and exports are shown in two versions, as recorded and as adjusted. In the adjusted versions allowance is made for the estimated effects of seasonal influences and variations in the number of working days as calculated by the Board of Trade (*Board of Trade Journal*, November

1959), and also for certain other special factors. These are the delays caused by the dock strikes in 1954 and 1958 and by the Suez crisis in 1956 and 1957, the accelerated clearance of imports caused by the introduction of the new Tariff List on 1 January 1959, and the inclusion of lend-lease silver in the recorded export figures for 1956 and 1957.

Stock changes. For a description of the figures of changes of imported stocks, see the special article on pages 36-38 of the Review for January 1959 (No. 1). Quarterly or half-yearly figures for stocks do not necessarily add up to yearly figures, partly because of revisions in annual trade figures which have not been carried back to the component quarters and also, in the case of the valuation at current prices, because of differences between the annual and quarterly average arrival values used.

Table 15. Volume of UK imports, by commodity

Sources : *T and N, BTJ*

The commodity groups correspond to the classes and divisions used in *T and N* : Food and beverages *A1/11*, Tobacco *A12* ; Basic materials, Total *B*, Textile materials *B6/9*, Wood *B4*, Pulp *B5*, Ores and scrap *B11* ; Fuels, Total *C*, Petroleum and products *C2* ; Semi-manufactures and manufactures mainly for industrial use, Total *D1/13*, Iron and steel *D12*, Non-ferrous metals, *D13*, Textile manufactures *D6/9* ; Finished manufactures, Total *D14/23*, Machinery *D15/16*.

The index numbers are based on 1954. The figures are based on Board of Trade revaluations of imports at 1954 prices and are not adjusted for either seasonal variations or other reasons.

Table 16. Volume of UK exports, by commodity and area

Sources : *T and N, BTJ*

The commodity groups correspond with the following classes and divisions used in *T and N* : Food, beverages, tobacco *A* ; Basic materials, fuels *B and C* ; Manufactures *D* (excluding lend-lease silver) ; Metals and engineering *D12/19 and 22*, Metals *D12 and 13*, Metal goods *D14 and 22*, Machinery *D15 and 16*, Transport equipment *D17/19* ; Textiles *D6/9* ; Chemicals *D1*.

The index numbers are based on 1954. The figures are based on Board of Trade revaluations at 1954 prices. Adjustments have been made by NIESR throughout to take account of the number of working days and seasonal variations. No adjustments have been made for delays caused by dock strikes in 1954 and 1958 or by the Suez crisis in 1956. All these figures exclude re-exports.

Table 17. World industrial production

Sources : *UN Monthly Bulletin of Statistics, UN Statistical Yearbook, OEEC*

The industrial coverage of the index numbers varies widely, but building is excluded throughout.

World. The index of world industrial production excludes the Eastern area (see definition on page 52). It has been taken from UN publications and has the following weights :

North America	56.9
Europe	31.1
Latin America	4.1
Asia, East and South-East	4.7
Rest of World	3.2
Total	100.0

USA and Canada. From *OEEC*, brought up to date from national sources. Gas and electricity are excluded from the USA figures.

UK. This is the same series as that used in table 2, except that building is excluded and it is shown with 1953 = 100.

Continental OEEC. For this, and for the individual series for Continental OEEC countries, the source is OEEC brought up to date from national sources. Generally, the figures include gas and electricity, but the series for Austria and Sweden exclude gas. Figures are not available for Switzerland and Portugal and they are therefore not included in the total. The Irish Republic is, however, included. The weights used are :

Western Germany	23.1
France	15.2
Italy	9.3
Belgium	4.6
Sweden	4.4
Netherlands	3.8
Austria	2.1
Others	6.0
Total	68.5

The series for OEEC countries have been seasonally adjusted by factors applied by OEEC. The annual figures are the averages of the unadjusted data.

In the index for all OEEC countries, not given here, the UK has a weight of 31.5.

Japan. UN publications, supplemented by *Japanese Economic Indicators*. The revised Japanese series (including gas and electricity) begins in 1953 ; earlier years have been linked to the new figures.

USSR and Latin America. UN publications.

Table 18. Trade of industrial countries**Table 19. Trade of primary producing countries**

Sources : IFS brought up to date from national sources and the press. Imports are valued c.i.f. and exports f.o.b. If actual figures are not available on these bases, estimates are made by IFS. Revisions of annual figures in IFS have where necessary been attributed to quarters by NIESR.

For definitions of industrial countries and primary producing countries, see page 52.

Table 20. Industrial countries : imports by volume and import and export prices

Sources : OEEC, IFS

Volume of imports. The UK index is the Board of Trade index for the volume of imports with 1954 weights but shown with 1953 = 100.

Import and export prices. The UK and Japanese series have fixed weights : the UK, 1954 weights, and the Japanese, 1953 weights for the years 1950-56 and 1956 weights for 1957 onwards. The other index numbers are based on unit values of imports or exports with moving weights.

The French series has been adjusted by NIESR to allow for the effective devaluations of the franc : it thus indicates the movement of French prices in terms of US dollars.

Table 21. Industrial countries exports of manufactures

Sources : OEEC, IFS, BTJ, and national sources, which include *Monthly Return of the Foreign Trade of Japan, Quarterly Summaries of Foreign Trade of the USA and World Trade Information Service Part 3.*

Manufactures are defined as Standard International Trade Classification groups 5-8 inclusive. This table covers only United States (excluding special category), Canada, United Kingdom, Western Germany, France, Italy, Belgium-Luxembourg, Netherlands, Sweden, Switzerland and Japan. Well over 80 per cent of the exports of the United Kingdom, Western Germany and Japan, over 70 per cent of French exports and over 60 per cent of United States exports now consist of manufactures.

Volume of exports : UK, Western Germany and France. The index numbers for UK, Western Germany and France are published by OEEC. The UK index is in fact the Board of Trade volume of exports index for Class D (SITC 5-8) with 1954 weights but shown with 1953 = 100. Japan. The index numbers for Japan have been taken from the *Japanese Trade Accounts*. The quarterly figures have 1953 weights and the annual figures have moving weights based on the preceding year. USA. No volume index for SITC groups 5-8 inclusive has hitherto been published regularly. The NIESR index has been computed by deflating the value series for US exports of manufactures (excluding special category) by a unit value index compiled by combining the official unit value series for finished manufactures and semi-manufactures using 1953 weights. Others. Index numbers for various groups of commodities (varying from country to country) are published by OEEC. Using these figures and various national sources to bring the information up to date, NIESR have extracted or prepared index numbers of volume of exports of manufactures for each of the remaining countries : Belgium-Luxembourg, Canada, Italy, Netherlands, Sweden and Switzerland. They are weighted by the value of exports of manufactures from each country in 1953. Total. The various series described above have been weighted by the value of exports of manufactures from each country in 1953.

Volume and value figures for USA. Certain special category items were de-restricted during 1958. As from the beginning of that year the figures include these former special category items \$0.05 billion per quarter in 1957) and are not therefore strictly comparable with previous periods. If these items are included in 1957 the volume of United States exports of manufactures in that year becomes 137 and the US share 25.7 per cent.

Table 22. The United States

Sources : *Survey of Current Business* and weekly supplements, *Business Statistics, Economic Indicators*

Building and contracting orders. These figures are derived from statistics compiled by F. W. Dodge Corporation, seasonally adjusted by the National Bureau of Economic Research, and published in *Economic Indicators*. From 1957 the data cover 48 states. Figures shown in this table for years 1948-1955 and first three quarters 1956 are based on data for 37 eastern states only. NIESR have adjusted them so as to link them with the data for the 48 states available for 1956 as a whole and later years.

Unemployment, employment. US Department of Commerce *Monthly Report on the Labour Force*. A change of definition in 1952 slightly affects comparability with earlier years. The 1956 quarterly figures are on a slightly different basis from the 1956 annual figure. For unemployment, NIESR have adjusted the quarterly percentages (and where they were not already seasonally adjusted applied a rough adjustment derived from the Department's own statistics) to agree with the annual average. The figures are

percentages of the civilian labour force. Employment figures include proprietors and self-employed. Those not at work because of industrial disputes are counted as employed.

Consumer prices. US Department of Labor all-items index shown with 1954 = 100. For 1950-52 the weights represent the spending pattern in the years 1949-50, and from 1953 onwards the 1952 spending pattern.

Table 23. Balance of payments : United Kingdom and sterling area

Sources : *B of P, ET* and press releases

UK current transactions. All identified transactions on current account between UK and the rest of the world. Imports and Exports are not calculated in quite the same way for the years 1952-1955 as for later periods. Invisibles includes donations.

UK long-term capital. All identified transactions on long-term capital account between UK and the rest of the world other than transactions in securities included in *overseas sterling holdings*. The UK subscription to the International Monetary Fund in 1959 II is included under *Inter-Government, etc.*, together with loans and debt repayments between the UK Government and other governments.

Balancing item. The net total of errors and omissions in the official estimates of the balance of payments between the UK and the rest of the world.

UK short-term capital, etc. All other identified items in the balance of payments between UK and the rest of the world, including changes in *overseas sterling holdings and reserves*. *Overseas sterling holdings* comprise British Government securities, if held by or for the account of banks and other official bodies overseas, as well as other sterling assets of overseas holders, official or private, with banks in UK or with the Crown Agents for Overseas Governments and Administrations. The published figures for the four years 1952-1955, in which Iraq is treated as a member of the overseas sterling area, have been adjusted approximately by NIESR.

Non-territorial holdings. These are held by the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD) and other international organisations.

Reserves. These comprise official UK holdings of gold and dollars in all periods, and other convertible currencies also from the end of 1958.

Other short-term capital. This includes *inter alia* changes in UK official holdings of non-convertible foreign currencies and in the net UK debt to the European Payments Union prior to the liquidation of the Union. (Subsequent repayments to and from other former members in respect of this debt are included under UK long-term capital.)

Sterling area balance with non-sterling world. The table shows three main items only in the balance with the non-sterling world. *Current balance* includes donations both for UK and for the overseas sterling area. For the latter it also includes net sales of gold in UK. *Net capital receipts* is the residual item of the overseas sterling area's balance with the non-sterling world. It includes gold sales other than those to UK.

Here and throughout, Iraq is treated as a member of the overseas sterling area for years prior to 1956.

Table 24. Commodity prices

Sources : MDS, FAO *monthly Bulletins, World Wool Digest, International Tea Committee, BTJ, Public Ledger* and the press.

NIESR price index numbers. The method of calculation of these index numbers has been described on pages 32-35 of the January 1959 (No. 1) issue. An improvement has been introduced in the September 1959 (No. 5) issue by using more price series and up-to-date weights ; these are shown on page 70 of the same number.

The index numbers of the prices of agricultural exports of primary producers (total, food and non-food) are based on the price series described in the above notes ; the weighting system of these new series is given in table 24, page 56.

Commodity prices. With the exception of the index for softwood the commodity prices are the average of daily or weekly prices during the period. *Wheat* : No. 1 North Manitoba, in store Fort William for ocean loading. *Sugar* : f.o.b. Cuban ports for export other than to U.S.A. *Tea* : Indian 'leaf' for export, at Calcutta auctions, including export taxes. *Coffee* : Santos No. 4 spot New York. *Cocoa* : Accra, spot New York. *Rubber* : R.S.S. 1 spot London. *Cotton* : US #ths in. middling c.i.f. Liverpool. *Wool* : Merino 64's and Crossbred 50's, equivalent clean c.i.f. UK of Commonwealth auction prices. *Copper* : spot London Metal Exchange. *Softwood* : Board of Trade index for imported softwood.

Table 25. Gold and foreign exchange reserves

Sources : IFS supplemented from national sources and the press.

The figures exclude throughout credit granted to the European Payments Union. Otherwise they are those published in IFS as total gold and foreign exchange holdings of monetary authorities and other official bodies, with certain qualifications.

Total industrial countries. The sums of the figures shown for USA, Canada, United Kingdom, Continental OEEC and Japan.

United States. Gold only.

United Kingdom. Gold and dollars for all periods, plus other convertible currencies from December 1958.

Continental OEEC. See definition on page 52.

Western Germany. Gold and freely usable foreign assets (net) as published by the Deutsche Bundesbank.

Total primary producing countries. The sums of the figures shown for sterling area countries, oil producers and Latin America (excluding Venezuela), with the addition of those published in IFS for other primary producing countries (see definition on page 52).

Sterling area countries. The countries are those shown separately in the table, plus Burma, Ceylon, Iceland and the Irish Republic. For Australia and India total official gold and foreign exchange holdings are included (i.e., not only those held by the Commonwealth Bank and Reserve Bank respectively) and for Malaya Currency Board and Government holdings.

Australia. Commonwealth Bank holdings only (generally available sooner than the total).

India. Reserve Bank holdings only (generally available sooner than the total).

Pakistan. Assets of the Issue Department of the State Bank.

Malaya. Holdings of the Currency Board and commercial banks (generally available sooner than Government holdings).

Oil producing countries. The countries included are Iran, Iraq and Venezuela.

Table 24. Commodities and weights used in the price indices of agricultural exports of primary producers

Weight per 1,000

Commodity	Quotation (origin and market)	Agricultural exports of primary producers (f.o.b.) ^(a)		
		Food	Non-food	Total
Live animals	Fat cattle, Dublin	14		14
Beef	Argentine and Australian, London	19		19
Lamb	New Zealand, London	13		13
Butter	Australian and New Zealand, London	14		14
Wheat	Australian and Argentine, London	24		24
Rice	Burmese, Rangoon; Thailand, London	35		35
Barley	Australian and various types, London	8		8
Maize	Argentine and South African, London	10		10
Fruit	5 quotations ^(b)	37		37
Raw sugar	Commonwealth Agreement contract and Cuban f.o.b. (for U.S. and other exports)	114		114
Coffee	Brazilian, Colombian and Salvadorian, New York; Uganda, Mombasa; Belgian Congo, Brussels	171		171
Cocoa	Ghanian, New York and London; Brazilian, New York	35		35
Tea	Indian, Calcutta; Ceylonese, Colombo	44		44
Cheese	New Zealand cheddar, London	4		4
Wheatflour	Australian, London	4		4
Pepper	Sarawak black, London	3		3
Groundnuts	Nigerian, London	15		15
Copra	Malayan and Philippines, London	19		19
Palm kernels	Br. West African, London	6		6
Vegetable oils	4 quotations ^(c)	24		24
Tobacco	Rhodesian and U.S. auction prices		15	15
Hides	Argentine, East and South African, Chicago and London		26	26
Rubber	Malayan and Indonesian, Singapore and London		87	87
Raw wool	Australian, New Zealand and South African, auction prices at country of origin; Argentine, Boston		148	148
Cotton	8 quotations ^(d)		81	81
Jute	Pakistan, Dundee		13	13
Sisal	Br. East African, London		5	5
Manila hemp	Philippine, London		3	3
Groundnut cake	Nigerian, London		4	4
Castor oil	Indian and various types, London		3	3
Tallow	Australian, London		2	2
TOTAL		613	387	1,000

(a) Weighting base: 1957 exports of primary producers.

(b) South African and Israeli oranges; West Indian bananas;

Australian apples; Australian sultanas, all at London.

(c) Palm oil, groundnut oil, coconut oil and olive oil, all at London.

(d) Egyptian (Karnak and Ashmouni), Alexandria; Sudanese, Mexican, Peruvian, Brazilian, Pakistani and East African, Liverpool.